

CONTINENTAL BILLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.15; DENMARK Dk.15; FRANCE Fr.15; GERMANY DM10; ITALY L.500; NETHERLANDS Fl.10; NORWAY Kr.15; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.2.25; SWITZERLAND Fr.2.0; D.M. 12p

NEWS SUMMARY

GENERAL
Provosts claim death of officer

BUSINESS
Equities slip 1.1; gilts mixed

STERLING edged up a point to close at \$1.7183; while its trade-weighted index was unchanged at 61.7.

WALL STREET was up 6.56 at 235.38 near the close.

UK EXPORTS to West Germany are continuing to grow, although more slowly than last year.

OPERATORS of the Frigg field in the North Sea have started producing gas on a test basis and will begin bringing it ashore by pipeline within the next two months.

TRADE UNIONISTS who want a wages freeze-for-all instead of pay restraint were strongly criticised by Mr. Tom Jackson, the post office workers' secretary.

NEW BOARD has been appointed to Italy's Societa Generale Immobiliare in a further step in the lengthy operation to salvage the ailing company.

PRICE CHANGES YESTERDAY
Prices in pence unless otherwise indicated

Table with columns for RISES and FALLS, listing various commodities and their price changes.

Zambia puts army on war alert against Rhodesia

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

President Kenneth Kaunda of Zambia said yesterday that he had put his army on full alert following threats from Rhodesia to make pre-emptive strikes against Zambia-based guerrillas.



Dr. Kaunda said that the worsening security situation might prevent his attendance at the Commonwealth Conference in London in three weeks' time, said that Zambia was not in a state of war with Rhodesia.

While observers in London tended to discount the imminence of military action by either side, the Rhodesia-Zambia quarrel threatened to involve the British Government in an embarrassing diplomatic incident which could affect the success of the current Anglo-American initiative on Rhodesia.

Dr. Owen's message was conveyed to the Zambian President by Dr. David Owen, the Foreign Secretary. Yesterday Dr. Kaunda criticised Dr. Owen for being "a post-hoc" for the rebel leader.

THE WEST could face a new energy crisis within the next few years ahead, the energy gaps which opened up beyond 1985 supply to develop the coal and nuclear industries, according to a major report on energy strategies.

Goldsmith's French group in £40m. bid for Cavenham shares

SIR JAMES GOLDSMITH is making a £40m. bid through his French master company, Generale Occidentale, to buy out half of the 49 per cent which it does not yet own in the British food group Cavenham, at 150p a share.

Floating interest rate bond soon

By Peter Riddell, Economics Correspondent

THE GOVERNMENT will launch its long-awaited floating interest rate bond at the end of this month with a £400m. issue.

The Treasury briefly announced last night the size of the new stock and stated that a prospectus with full details would be published on May 27.

The public will not be able to subscribe to the stock via a coupon tier as with other gilt-edged securities, but from May 30 the Bank of England, through the Government Broker, will respond to bids made through the gilt-edged section of the stock market.

The margin over Treasury bill rates will depend on the maturity of the bond; it is expected to have a shorter rather than a longer date. A maturity of between four and seven years appears most likely.

The main aim of the innovation is to help provide a steadier and smoother means of funding the public sector borrowing requirement without the sharp fluctuations in sales of gilt-edged stocks which have occurred in the recent past.

World energy gap draws closer

World energy gap draws closer, says a report by the International Energy Agency. The report says that the world's energy resources are being used at an ever-increasing rate.

Drax needed to save jobs - Babcock

BY MAX WILKINSON

A NEW threat of serious redundancies in the power engineering industry appeared yesterday, as Mr. James Callaghan called in Sir Arnold Weinstock, the head of the General Electric Company, for urgent talks.

The Prime Minister was making a final effort to break the deadlock in talks of rationalising the industry.

Mr. Callaghan has also been strongly lobbied by trade unionists from the North East, where C. A. Parsons is producing 1,800 redundancies unless the Drax order goes through.

Some 1,300 men, 30 per cent of the workforce, were laid off in March. Yesterday the company said a further 1,200 would have to go early next year unless the Drax order was placed shortly.

World energy gap draws closer, says a report by the International Energy Agency. The report says that the world's energy resources are being used at an ever-increasing rate.

World energy gap and Editorial Comment, Page 18

Advertisement for Olympia typewriter, featuring an image of the machine and text describing its features.

LOMBARD

Fade-out time for shareholders

BY GEOFFREY OWEN

A DISTINGUISHED company chairman once remarked privately that dividend controls suited him nicely; he was left with more money to reinvest as he thought fit and he was spared the problems of deciding how much of his increased profits should be handed back to shareholders. This may be a minority view, but it reflects a contempt for shareholders and a dedication to personal empire-building which is wholly alien to the way the market economy ought to work. Fortunately the absurdities of the present dividend control arrangements—underlined last week by Shell—are becoming more widely apparent; it is not obvious that anyone's interests are being served by the gimmicks which some companies have had to resort to in order to beat the system. On grounds of logic and fairness the Government should dispense with dividend controls. The problem is that trade union leaders (and, it seems, some company chairmen) regard the whole idea of "hand-outs" to shareholders with deep distaste.

Bonanza

There was an example of this when the Government's capital repayment scheme a few months ago. Left-wing Labour MPs were unhappy and asked Ministers whether the deal was in accordance with the social contract. GEC's unions said there was "deep resentment" among their members at what was regarded as a bonanza for shareholders at a time of wage restraint and high unemployment. The danger is that this sort of hostility will make other companies which find themselves with surplus cash on their hands even more reluctant to give it back to their shareholders. They can always find plausible excuses for not doing so—the financial complexities involved, the likely tax advantages and so on. But the GEC example seems to show that if a company is really determined to find a way, it can be found.

The same issue will soon have to be faced by the companies whose shipbuilding and aircraft companies have been taken over by the Government. The money they will receive belongs to the shareholders and should be distributed to them. The thought of these companies ploughing into the stock market, while the institutions, they suspect, are dominated by financial technicians whose interests are almost entirely short-term. This may be wildly unfair, but it is part of a set of attitudes which, unless actively and convincingly countered, threatens the shareholder-based system with extinction.

Extinction

If many people find this vision of the future tolerable or even desirable, it is because they no longer believe in a significant role for shareholders. The private investor is fading away, while the institutions, they suspect, are dominated by financial technicians whose interests are almost entirely short-term. This may be wildly unfair, but it is part of a set of attitudes which, unless actively and convincingly countered, threatens the shareholder-based system with extinction.

RACING BY DOMINIC WIGAN

Vitiges should make up for disappointments

VITIGES, blundered for the first time, should be good enough to lift today's renewal of the Clive Graham Stakes at Goodwood. Peter Walwyn's top class Italian colt, who put the seal on a highly successful three-year-old career when wearing down Rose Bowl in the final few strides of the Champion Stakes at Newmarket, has been a noticeable disappointment in two races this term. A well-beaten fourth behind Hezen Kewes in the Ebor of Sefton Stakes on the Rowley Mile course early in April, he then proved equally disappointing when running down the field in Longchamp's Prix Ganay, which was won by Arctic Tern. In the belief that he will have come on a great deal since those outings and that blunders may have helped to settle in the stages, I take Vitiges to outclass the progressive Lucky Wednesday, the form of whose clear-cut victory over Balkino in Sandown's Westbury Stakes was

GOODWOOD

- 1.30—Star Performance
2.00—Burling
2.30—Broadhome
3.00—Princely Bean
3.30—Vitiges**
4.00—Laird
4.30—Atlantic Bridge***
WOLVERHAMPTON
3.15—J. Garde
3.45—Wild Trading
4.15—Skinny Dip

Lawyer attacks Foot over 'judges' speech

IT WAS "absolutely appalling" that Mr. Michael Foot, Leader of the Commons, should express doubts publicly about the fairness of judges towards trades unions, Mr. Geoffrey Thomas, secretary of the British Legal Association, said yesterday. He was hitting back after Mr. Foot's remarks on Sunday when speaking at a pre-conference meeting of the Union of Post Office Workers in Bournemouth. During his speech, Mr. Foot said that Post Office workers had had their rights "fetched away from them" and if the freedom of trade unions had been left solely to judges, there would now be very few freedoms left. Yesterday, Mr. Thomas said: "How can you stop the steady slide down the slippery slopes to anarchy when Cabinet Ministers are so ready to slam judicial decisions?" "How can you hope to maintain public respect for law and order when the Leader of the House himself incites doubts about the fairness of judges?" He said that the House of Commons should be told that the Government intends to restore their right to strike by amending the Post Office and Telegraphs Act. This move, follows a case brought by Mr. George Gouriet of the National Association for Freedom over a proposed Post Office boycott of mail for South Africa. Mr. Gouriet claimed the union had a legal obligation to handle mail freely. The union is to appeal to the Lords over the decision. Mr. Thomas, whose association represents about 2,000 solicitors, added: "Trade unions seeking yet further privileged exclusions from the rule of law are clearly aiming for a situation where there is one law for those in unions and none for those outside. That this possible situation should be encouraged by the Leader of the House is an absolutely appalling and of such grave concern that as practising lawyers we of the British Legal Association urge the Prime Minister himself to say where he stands."

SALEROOM

Old books fetch £182,583

ALTHOUGH the two most highly regarded lots, failed to find buyers, the good prices for other books produced a total of £182,583 at the Sotheby's print book sale yesterday. The top price was £7,500 from Traylen for a first edition of Hypnerotomachia Poliphili by Colonna, printed in Venice in 1499. Description of general et partitions de la France, published in Paris between 1781-96 with 465 plates, went for £7,500, double the forecast. In Poulillon, Mendez paid £6,200, around six times the estimate, for a collection of over 850 engravings by Callot and others. Other good prices were the £5,900 for a first 1493 edition of Schedel's Liber Chronicarum, with 1809 woodcuts, and £5,000 for the same work.

Radio station woos listeners

RADIO Luxembourg has launched a campaign to win listeners in the "young married" 25 to 34 age group.

WINE

Piedmont can give some pleasant surprises

BY EDMUND PENNING-ROWSELL

IN VINOUS TERMS Piedmont is best known as the source of two of Italy's top wines: Barolo and Barbaresco. However, the region also contains a surprising number of other wines; about 30 of them bearing the Denominazione di Origine Controllata (DOC) label and some other very acceptable "country" wines without it. Italy still being one of the less expensive Continental countries for a holiday, there must be many from these islands who, after traversing the Mont Blanc or Grand St. Bernard tunnels, will pass through Piedmont. It is, in fact, worth a detour for the country is highly agreeable, particularly in the Novarese hills to the north, and the Asti-Alessandria district, south of the Turin-Alessandria autostrada. The food is good, too, and these are those who affirm that the white truffles of Alba are superior to the black variety of the Périgord. As to the wines, although Barolo and Barbaresco may be the best Piedmontese wines, they are also the most expensive, for the production is small (about 40,000 hl. annually for Barolo and 14,000 hl. for Barbaresco), and to be really mature the wines need prolonged keeping. They are also, relatively speaking, expensive here in Britain, too, where the other Piedmont wines are becoming more widely available every year.

Cherry aroma

For example, one of the region's most esteemed wines is Grignolino, produced in rather small quantities between Asti and Piedmont. Named after the grape variety, it has the status of a fairly light wine, somewhat in relation to Barolo as Barbaresco is to Volp. But those examples that I tasted on the spot were quite strong, but lacked the cherry aroma that is said to be characteristic of this wine. The noble grape that produces these wines is Barbera, and there are three DOC versions: Alba, Asti and Monforte. Which is the best is likely to depend on the vintage and some excellent, non-DOC wines are made under this label, one of which can be found here in Britain. Gattinara is also fairly well known, as its production is yet so admirably with the spicy, tannin; not much above 2,000 hl. a year. In general, the Piedmontese label is, in fact, a blend. There are those who prefer the alcoholic, Gattinara, to the powerful, more insistent, Barolo. Adjoining Gattinara are five local wines, all with a Nebbiolo base, though with varying proportions of other grapes allowed, notably Vespolina and Bonarda, cherry-stone aroma, and to be the wines are Boca, Fara, drunk young. There are no less than five of them: Alba, Ovada, Ghemme, Sizzano and Lessona, but none the Acqui, Langhe, Monregalese and untrivalled.

Tiny production

The noble grape that produces these wines is Barbera, and there are three DOC versions: Alba, Asti and Monforte. Which is the best is likely to depend on the vintage and some excellent, non-DOC wines are made under this label, one of which can be found here in Britain. Gattinara is also fairly well known, as its production is yet so admirably with the spicy, tannin; not much above 2,000 hl. a year. In general, the Piedmontese label is, in fact, a blend. There are those who prefer the alcoholic, Gattinara, to the powerful, more insistent, Barolo. Adjoining Gattinara are five local wines, all with a Nebbiolo base, though with varying proportions of other grapes allowed, notably Vespolina and Bonarda, cherry-stone aroma, and to be the wines are Boca, Fara, drunk young. There are no less than five of them: Alba, Ovada, Ghemme, Sizzano and Lessona, but none the Acqui, Langhe, Monregalese and untrivalled.

TV REPORT

BBC 1
6.40 a.m. Open University (HF only). 9.38 For Schools. Colleges. 12.45 P.M. News. 1.09 Pebble Mill. 1.45 Mary, Mung and Midge. 2.09 You and Me. 2.15 For Schools. Colleges. 3.25 Pöbol y Cwm. 3.33 Regional News (except London). 3.55 Play School (as BBC 2 11.00 a.m.). 4.20 Dastardly and Muttley in their Funniest Moments. 4.30 Here Come the Double Deckers. 4.50 Tarzan, Lord of the Jungle.

F.T. CROSSWORD PUZZLE No. 3382

Crossword puzzle grid with numbers 1-30 and clues. Clues include: 1 Train in loads of fish (6), 2 Masquerade in which ten creep about (5), 3 A freee going to invade is scared (6), 4 Invasion force from feudal superior (8), 5 Goud me curl for being a spendthrift (8), 6 To get the gear for turing a corner (10), 7 Eat some nt food in estaminet (4), 8 Everybody repeat it, it's in it's infancy (10), 9 Feature of swamp that glows in planet (10), 10 Root source of illumination (4), 11 Tricky move by doctor in walk (6), 12 It's usual each 24 hours (8), 13 Moh never disturbed for 30 days (8), 14 Learner having no right to be stimmer (6), 15 Much travelled man changing next autumn (8), 16 Greek goddess ate about all the bird (6), 17 Go to the next page for the value of total sales (8), 18 Sniff nothing inside but it could be catching (5), 19 Give sanction to destroy wild rose (7), 20 Spoil cord of rope (7), 21 Girl I have to follow for a letter (7), 22 Sailor with a French reel takes plenty (8), 23 Man overboard? Yes, but not at sea, one hopes! (8), 24 Mother embracing a man becomes reddish purple (7), 25 Laure and Hardy? (3, 4), 26 Clergyman is a nuisance about religious instruction (6), 27 Nomad has to touch the feelings of monarch (5), 28 Food available from some nutritionists (4).

All Regions as BBC 1 except at the following times:
Wales-5.55-6.20 p.m. Wales Today. 6.20-7.14 p.m. Ar Y Brig. 11.45 Dewi I Starad. 12.10 a.m. News and Weather for Wales.
Scotland-10.42-12.00 a.m. National Service of Thanksgiving from Glasgow. 12.55-2.25 p.m. Reporting Scotland. 12.10 a.m. News and Weather for Scotland.
Northern Ireland-5.53-6.35 p.m. Northern Ireland News. 5.53-6.20 p.m. Scene Around Six. 6.25-6.55 p.m. Light on Northern Ireland. 12.10 a.m. News and Weather for Northern Ireland.
England-3.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

THE MANAGEMENT OF FOREIGN EXCHANGE RISKS

26 and 27 MAY 1977 DORCHESTER HOTEL, LONDON

A conference organised by the Financial Times and The Banker in association with Forex Research Ltd.

- Chairmen: Mr J H Geartsema, General Manager, Algemeen Bank Nederland NV, Amsterdam; Mr Henry Kaufman, Partner and Member of the Executive Committee Salomon Brothers, New York.
Speakers to include: ARE WE TO HAVE MORE OR LESS DIRTY FLOATING? Mr A Kiehl, Joint Managing Director, Forex Research Ltd.
FORUM: EXCHANGE RATE RISKS - WHAT ARE THEY? HOW ARE THEY IDENTIFIED? HOW ARE THEY HANDLED? Mr R W Archer, Treasurer and Deputy Finance Director, Unilever Limited; Dr J H Goris, Manager, Finance Department, NV Philips Groelampen-Fabriek, Eindhoven; Mr G R H Taylor, Treasurer, IBM United Kingdom Limited; Mr Olof Sjostrom, Senior Vice-President AB Volvo, Gothenburg.
IS FORECASTING EXCHANGE RATES IMPOSSIBLE? Dr P Armitage, Senior Consultant, Forex Research Ltd.
U.S. MONETARY POLICY AND INTEREST RATES: Mr Henry Kaufman.

RADIO 1

RADIO ONE 247m
6.00 a.m. As Radio 2. 7.02 Noel Edmonds. 7.15 Top Gear. 7.30 News. 7.45 David Hamilton (S) also on VHF. 8.00-9.00 News. 9.15-10.15 News. 10.30-11.30 News. 11.45-12.15 News. 12.30-1.00 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News. 11.15-11.45 News. 11.55-12.25 News. 12.35-1.05 News. 1.15-1.45 News. 1.55-2.25 News. 2.30-3.00 News. 3.15-3.45 News. 3.55-4.25 News. 4.35-5.05 News. 5.15-5.45 News. 5.55-6.25 News. 6.35-7.05 News. 7.15-7.45 News. 7.55-8.25 News. 8.35-9.05 News. 9.15-9.45 News. 9.55-10.25 News. 10.35-11.05 News.

LY 100 15000



...er Breuer and Eva Evdokimova in London Festival Ballet's 'The Nutcracker' which opened last night at the Coliseum.

man theatre

Hedda Gabler

by RONALD HOLLOWAY

Bochum Schauspielhaus... Hedda Gabler... approach was to construct an enormous, roomy set, allowing the actors space to travel long distances through Ekidai's photography studio up to the attic. The same concept is applied in Hedda Gabler: endless walking through cavernous, palatial surroundings as Tesman and Gabler pair off against one another with conversations that hang in the air for the most part. The set (Götz Loepelmann) also features a study in the distant background, with stairs in between, over which Tesman stumbles in absent-minded confusion as the final curtain falls on Hedda's suicide.

lian theatre

Le bourgeois gentilhomme

by WILLIAM WEAVER

Last year, his trompe l'oeil... Le bourgeois gentilhomme... As an actor, Cecchi owes... The other superb comedian of the company is Aldo Sassi, a teacher of philosophy who, in this version, speaks a Northern Italian dialect (which he translates for the benefit of Monsieur Jourdain and us). Sassi's physical solidarity contrasts perfectly with De Marchi's slender refinement and the short, darting figure of Morra. Sassi also doubles in the straighter part of Cleonte.

ook review

Venice restored

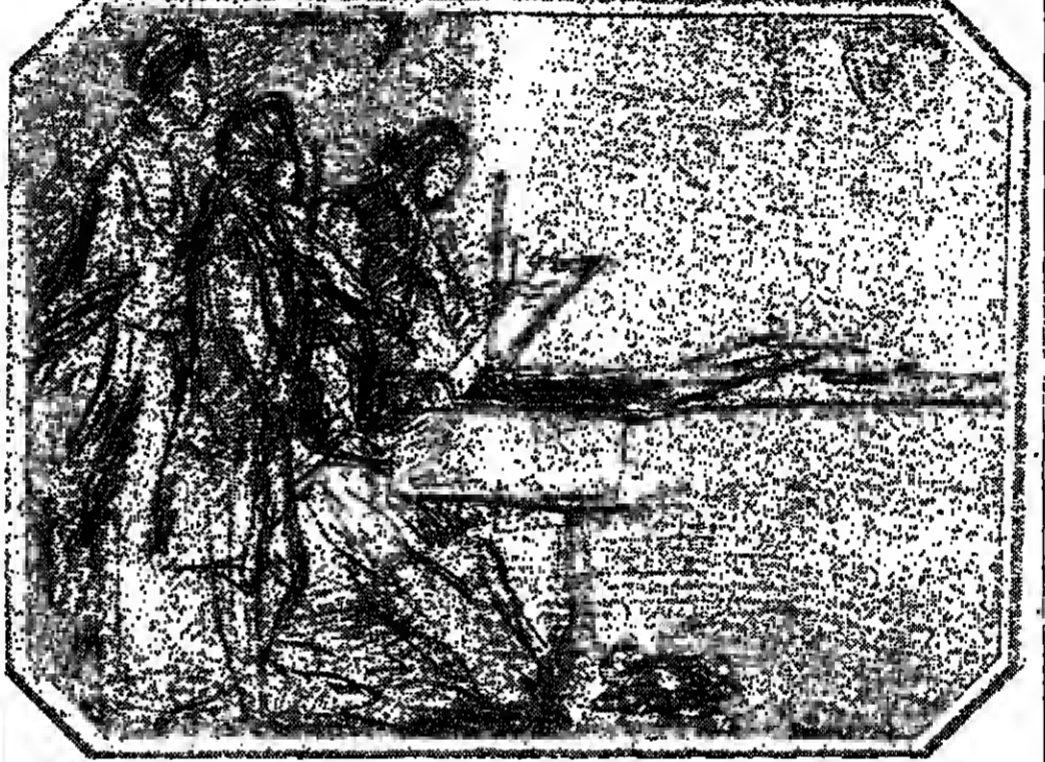
Church of the Madonna dell'Orto... Venice restored... was used involving a dental coat... The most spectacular example of the restorers' work was the cleaning of the paintings. Tintoretto's Last Judgment and the Worship of the Golden Altar are both 4.5 metres by 5.9 metres in size. They had to be removed from their stretchers and rolled round cylinders before removal for treatment. There are eight other paintings in the church and one painting that was thought to be a Tintoretto until work began on it. There is also a splendid Cima, and a Bellini at present under restoration.

Gainsborough's music

by DENYSSUTTON, Editor of Apollo

The Entertainment Guide is on Page 33

It is always a pleasure to visit Kenwood... Gainsborough's music... When Gainsborough left Suffolk for Bath, the move was not only a sensible one, bringing him into touch with elements of this fashionable watering-place, but it also enabled him to come across the composers and virtuosi who visited the city. It was there that he met Thomas Linley and his family. The double-portrait of Elizabeth and Mary Linley is a masterpiece of the period. The beauty of the sitters is matched by the quality of the paint. It hardly needs to be said that both were singers. Elizabeth was the star and, shortly after the portrait was painted she eloped with Richard Brinsley Sheridan.



Gainsborough's drawing of the Linley family at a musical party

Elizabeth Hall

Maurice Hasson

by PAUL GRIFFITHS

Beethoven died 150 years ago this spring... Maurice Hasson... Independence. However, Mr. Hasson is an artist not easily outdone. The beauty of his sound and the sensitivity of his line brought one's closest attention incessantly back to his part time and again. It was a pity, therefore, that his performance was marred by accidents, which, though by no means numerous, were plentiful enough to be unsettling. Tiny slurs and lapses of intonation can be annoyingly distracting in a context of such elegant musicianship, and they became so in Mr. Hasson's account of the C minor sonata. Here he may have been striving too much to give expression to the dramatic substance of the piece: his comparative and marvellous success with the slow movement would seem to bear that out.



Adrienne Posta and Aubrey Woods in 'Lionel' which opened last night at the New London Theatre

New College Chapel, Oxford

English Bach Festival

Oxford's portion of the English Bach Festival started on Saturday... The afternoon concert on Sunday... The surprise of an agreeable, enlightening concert was a Mass heard at Easter Sequence and (Paul Ferguson) by Marc-Antoine Charpentier, a substitute Cauroy, an Organ Fantasia of Beethoven's motets of the second part, because of the amount of well-written and potentially enriching music lying just out of reach, not fortunate enough to win modern performance.

The Royal Ballet in Battersea Park

From July 4-16, The Royal Ballet... The Royal Ballet in Battersea Park... Poet to Les Sylphides on July 14; Ann Jenner takes the lead in the newly erected 'Elite Symphonies' on July 16; Stephen Jefferies dances Colas in La Fille mal gardee on July 13; Marguerite Porter, Michael Batchelor and Ashley Page dance the second pas de deux in Monettes on July 8; first time in London—Wayne and Laura Connor, Stephen Eagling dances Solor in La Boye-Beau and Andrew Moore take over on July 9, Colas in La Fille mal gardee on July 12, and the Seasons on July 16.

Sinatra sells pictures

Sotheby's major summer sale... Sinatra sells pictures... Impressionist and Modern Dieppe, a work of 1901, which paintings on June 27 will attract more than its usual attention this year because 11 of the pictures work is a Boudin beach scene, on offer come from the collection of 'Trouville, l'heure du Bain.' There are two good Faure paintings for sale, Dufy's 'Le 4 and thus disposing of some choice Impressionists. The great attractions are two paintings by Camille Pissarro — 'Place de la Republique, Rouen,' dated 1883 and 1890.

What is behind No. 9?

To be Norway's 9th largest industrial group does not mean a lot — unless you consider the facts behind that position. In Norway, number 9 means an industrial group which is

- Norway's only producer of cement
- Norway's largest producer of building materials
- One of the largest overseas exporters of cement in Western Europe.

Other key facts are:

Turnover (mill. N.kr.)	Net Profit (mill. N.kr.)
1976: 1,357.6	1976: 57.0
(+14% from 1975)	1975: 31.3
	1974: 9.2

Capital (mill. N.kr.)	Employees
1976: Total capital: 1,225.5	3,444
Equity : 333.5	

Shareholders

- 6,366
- 36% owned by individuals
- 35% owned by banks, insurance companies, funds etc.
- 29% owned by shipping, industry, trade

NORCEM

A/S Norcem, Haakon VII's gt. 2, Oslo 1, Norway. Tel. (02) 41 27 70.

EUROPEAN NEWS

BRITAIN'S MISSION TO THE EEC

Mini-Whitehall in Europe

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

IF RECENT Press leaks are to be believed, the Central Policy Review Staff team working on the forthcoming report on the future of the Foreign Office have been greatly influenced in their thinking by the way in which Britain's diplomacy has been tailored to deal with the task of integration into the EEC. Some of its members are indeed said to see the experience as a solid argument for abolishing the Foreign Office altogether, and merging its functions with those of other Whitehall Departments.

Britain established a permanent representation to the European Communities in Brussels on entering the Common Market in 1973. Usually known as UKREP, it occupies three floors of a modern office building on the Rond-Point Schuman, directly overlooking the EEC Commission and a short step from the Council of Ministers building, where much bread-and-butter EEC business is conducted.

UKREP is to many ways unique among British missions abroad and is perhaps best described as a mini-Whitehall. The current Ambassador, Sir Donald Maitland, is a career Foreign Office man; but of the 41 UKREP members enjoying diplomatic status, only 16 are drawn from the Foreign Office, the remainder having been seconded temporarily from more than half-a-dozen other departments and the Bank of England.

The reason for this eclecticism might seem to be the belief that much EEC work was too specialised and technical to be left to mere diplomats. But according to those working at UKREP, at least as important is the recognition that EEC entry has exposed a wide range of policies to direct external influences for the first time. In these circumstances, it is felt that traditionally domestic policies are most effectively handled in Brussels by home civil servants with an intimate knowledge of the needs and customs of their own departments.

UKREP's peculiar position as an extension of Whitehall is underlined by the fact that Sir Donald is probably the only British ambassador who returns to London every week for official consultations. While there, he confers not only with the Foreign Office but also with the Cabinet Office, which plays a central role in shaping British policies towards the EEC, and with senior members of the other departments whose interests are directly affected by current developments in Brussels.

By the same token, UKREP reports to and receives instructions from a variety of masters, though the Foreign Office scrutinises outgoing cables to ensure that they contain no overt contradictions. For most members of UKREP, there is more routine work than in other diplomatic postings, and their work patterns are largely determined by a fixed schedule of EEC meetings. These range from the once-weekly ambassador-level meeting of permanent representatives, at which decisions on a wide variety of EEC issues are expedited, down to working groups dealing with highly detailed and often arcane affairs, such as harmonising the basis for taxing travel agencies. The workload is particularly heavy at present, because Britain is acting President of the EEC during the first six months of this year and must provide chairmen for all these occasions and take charge of preparatory work and coordination. But even before its Presidency began, Britain's permanent representation in Brussels was the largest of any of the Nine: Germany's numbers 33, Italy's 29 and France's 25.

The size of the British contingent is explained partly by a deliberate Government decision rapidly to secure a firm grasp of the mechanics of the Common Market, especially in advance of its Presidency. It is now conceded that its preparations may have been excessive, and UKREP's staffing is expected to be cut back after June 30, when many of its members will also be replaced by a fresh intake from the Foreign Office and the home civil service.

At the same time, UKREP staffing is more modest than that of many major embassies partly because administration is pooled with the British embassy in Belgium, and the NATO delegation. Its total staff of 115 (including clerical assistants, secretaries, telephonists and so on) compares with 197 in Bonn, 232 in Paris, and 303 in Washington. But an informal British survey last year also found that the London-based civil servants are said to have baulked at the offer of a Brussels posting, because of domestic disruptions, it going cables to ensure that they

Britain's permanent representation to the EEC has shown that home civil servants can conduct effective on-the-spot negotiation but there appears little justification for assigning them to other foreign postings where they are unlikely to be kept as busy...

Greenland oil hunt may be postponed

COPENHAGEN, May 17

THE DANISH GOVERNMENT has postponed plans to start an oil hunt for off west Greenland this summer as a result of a review of safety procedures being taken in the wake of the blow-out.

Three groups, in which operators are Chevron, Arco and Mobil, have plans to sink this summer. The Government has set up a Ministerial committee to review safety procedures and to consult with the Greenlanders. Under the regulations for exploration of Greenland, a mission is required for the drilling of each separate well. The procedure for authorising drilling has not been completed any of the three wells this summer, according to Gert Vigh, head of the Government's Greenland Oil Department.

The outcome of the negotiations may depend on a vote on Friday of the special committee, headed by the Minister for Green and seven Greenlandic politicians. According to reports from a majority of the Greenlanders, they favour postponement, and the Government will be reluctant to press ahead against the will of the Greenlanders.

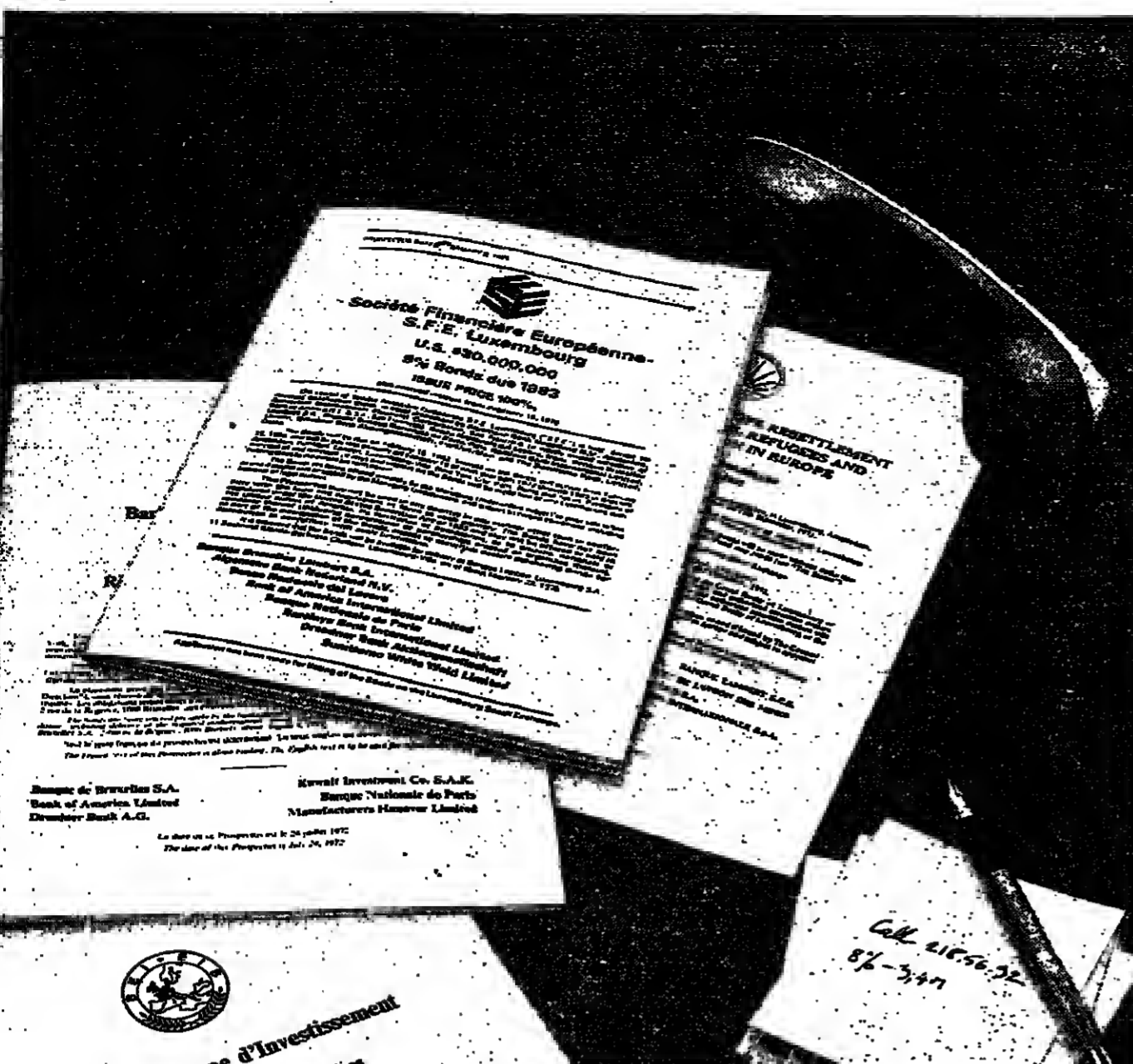
Denmark cuts down payments to deficit

By Our Own Correspondent

COPENHAGEN, May 17. DENMARK'S first quarterly current balance of payments deficit came to Kr.3.1 (€308m), according to C4 Bank figures. This compares with a deficit of Kr.5.10b the same quarter last year. Kr.1.15bn. for the whole of 1976.

The Government aims to reduce the deficit for this year to Kr.5.5bn. Finance Minister Knud Heinesen said that if there was a prospect of the deficit exceeding this, then it would be necessary to make adjustments in economic policy. But with unemployment running at 7.4 per cent in March, the Government does not want to be forced to adopt new restrictive measures. Most forecasters expect GNP this year will only increase by 1 1/2 to 2 per cent.

THE FINANCIAL TIMES publishes exchange rates and holds a U.S. money market desk. Second-class postage paid at New York, N.Y.



Were old hands at new ventures.

Co-creators of first Eurobond.
In 1957 Petrofina had briefed us on a special problem. One with no standard solution. So together with a small group of international banks, we created a new solution: The world's first Eurobond issue.
Since then we've managed and co-managed 245 more Eurobond issues - worth \$5,600,000,000. Making us one of the world's leading sponsors of this type of financial project. And the one with the longest experience.
Why new ventures appeal to us.
Because all too often the old answers aren't the most precise solution to new financial problems. Or maybe it's because we're snobs and we prefer to custom-tailor solutions to each customer. Rather than force him into off-the-rack answers. But we don't innovate just for innovation's sake. When the standard solution still fits, we offer it.

All the expected services.
We have the same range of financial services as other international banks. And we back them up with an international network of subsidiaries, representative offices, affiliated and associated banks, correspondents. And with 1060 retail branches in Belgium.
But what makes us different from other international banks is our individual attention to each client's individual problems; our reluctance to stick to the traditional answers; and our willingness to stick our neck out in new ventures.
Like the day we stuck our name on the world's first Eurobond.

Banque Bruxelles Lambert
the person-to-person bank

Banque Bruxelles Lambert, The ABECOR bank in Belgium, 24 avenue Marnix, 1050 Bruxelles, Tel. 02/513.81.81. Telex 24392/BBLIN



Singapore Girl.
Gentle hostess in her sarong kebaya.
Let her take you across half the world and more.
She'll care for you as only she knows how. **SINGAPORE AIRLINES**
A great way to fly

SERVING AMSTERDAM • ATHENS • AUCKLAND • BANGKOK • BAHRAIN • BOMBAY • BRUSSELS • COLOMBO • DUBAI • FRANKFURT • HONG KONG • JAKARTA • KUALA LUMPUR • LONDON • MADRAS • MANILA • MEDAN • MELBOURNE • OSAKA • PARIS • PERTH • ROME • SEOUL • SINGAPORE • SYDNEY • TAIPEI • TOKYO • ZURICH

10/100 1230

EUROPEAN NEWS

Greenland oil hunt may be postponed

By Roger Matthews
COPENHAGEN
The Danish Government has announced that the search for oil in the North Sea will be postponed until next year. The decision was made after a meeting of the Energy Commission in Brussels, where it was agreed that the search should be postponed until the end of 1978 or the beginning of 1979.

Denmark down pay deficit

By Our Own Correspondent
COPENHAGEN
Denmark's budget deficit has fallen to its lowest level since 1974, according to the latest figures from the Ministry of Finance.

Machel eases refugee line

By Diana Smith
LISBON, May 16
The Portuguese government has announced that it will ease its policy on refugees from Rhodesia and Mozambique. The new policy will allow more refugees to enter the country, and will also allow them to work in certain sectors of the economy.

Greenland oil hunt may be postponed

By Roger Matthews
COPENHAGEN
The Danish Government has announced that the search for oil in the North Sea will be postponed until next year. The decision was made after a meeting of the Energy Commission in Brussels, where it was agreed that the search should be postponed until the end of 1978 or the beginning of 1979.

Strike paralyses northern Spain

By Malcolm Ruthford
MADRID, May 16
Despite constant patrols by thousands of Civil Guard, the general strike in northern Spain has paralysed the region. The strike, which began on Monday, has affected all public services, including transport, electricity, and water supply.

Carter call 'implies 3% defence costs rise'

By Malcolm Ruthford
BRUSSELS, May 16
The NATO members of the European Community are now free to move ahead at the start of next year with its long-standing plan to introduce a system for financing its budgetary expenditures entirely out of its own resources, following a compromise reached between Denmark, Britain and West Germany.

EEC budgetary financing agreement

By Guy de Jonquieres, Common Market Correspondent
BRUSSELS, May 16
At the same time, the EEC Commission has said that it will unveil proposals next October for the application of a new "basket" unit of account to agricultural trade. These new arrangements would technically eliminate the need for MCAs, though that would be prepared to get these being phased out gradually.

Soviet long term trade accord with Finland

By David Satter
MOSCOW, May 16
A new stage in the close economic relationship between the Soviet Union and Finland is expected to be reached this week during the official visit to the Soviet Union of President Urho Kekkonen of Finland.

EEC budgetary financing agreement

By Guy de Jonquieres, Common Market Correspondent
BRUSSELS, May 16
At the same time, the EEC Commission has said that it will unveil proposals next October for the application of a new "basket" unit of account to agricultural trade. These new arrangements would technically eliminate the need for MCAs, though that would be prepared to get these being phased out gradually.

Haferkamp riposte to EFTA

By Our Own Correspondent
BRUSSELS, May 16
CLEARLY stung by what it considers a provocative display of irreverence by the EFTA countries towards the higher aspirations of the EEC, the European Commission today unleashed a riposte designed to show that the Community is more than just another free trade area.

Major wages row threatened in Sweden

By William Dufforce
Stockholm, May 6
A MAJOR conflict between Swedish employers and unions could erupt later this week despite restraints on both sides.

Yugoslav air controller sent to jail

By Our Own Correspondent
ZAGREB, May 16
AN AIR traffic controller was jailed here today for seven years for criminal negligence which led to the world's worst mid-air collision in which 176 people died last September. The Zagreb district court acquitted seven other flight controllers jointly charged with chief defendant Grandir Tasic, 28.

Continentals Bank of Chicago is a leader in foreign exchange services.

Continentals Bank is in the United Kingdom for many reasons. One of them is to provide your business with knowledgeable and competitively priced foreign exchange services.

We're committed to fast, reliable servicing of foreign exchange transactions. This includes advice and recommendations, based on in-depth knowledge of sterling and foreign currencies, that make us an internationally recognised market-maker.

Quality in foreign exchange trading and advice is one of the commitments that make Continentals the bank of opportunity all over the world.

In London:
City Branch: 58/60 Moorgate, E.C.2. Tel: 01-628 6099
West End Branch: 47 Berkeley Square, W.1. Tel: 01-493 9261
Merchant Banking: Continental Illinois Ltd.
14 Moorfields Highwalk, E.C.2. Tel: 01-638 6060

In Edinburgh:
Representative office, 9 St. Colme Street. Tel: 031-225 2 00

Other European Locations
Antwerp, Brussels, Liège, Dusseldorf, Munich, Frankfurt, Piraeus, Athens, Thessaloniki, Madrid, Rotterdam, Amsterdam, Milan, Rome, Paris, Vienna, Geneva and Zurich.

The bank of opportunity
CONTINENTAL BANK
Continental Illinois National Bank & Trust Co. of Chicago

Argentina, Australia, Austria, Bahamas, Bahrain, Belgium, Brazil, Canada, Cayman Islands, Colombia, Ecuador, France, Greece, Hong Kong, Indonesia, Iran, Italy, Jamaica, Japan, Kenya, Korea, Lebanon, Luxembourg, Malaysia, Mexico, Morocco, The Netherlands, Pakistan, Peru, The Philippines, Singapore, Spain, Switzerland, Taiwan, Thailand, United Kingdom, Venezuela, West Germany.

ILEXIM
BULGARIAN FOREIGN TRADE COMPANY

offers a wide range of

- musical instruments: concert pianos, upright pianos, violins, violas, cellos, double basses, guitars, mandolines, balalaikas, saxophones, and the whole range of wind instruments;
- wooden pieces of furniture in fixed or K.D. form, with carved elements, occasional furniture, etc.
- a large assortment of chairs with plaited seats, with carved elements or a modern shape, folding chairs and rocking chairs.
- interior decoration articles: black and coloured ceramics; glassware, alabaster, wrought iron, woolen handicrafts, decorative candles, mirrors, etc.
- sport and camping articles: folding chairs, folding tables, lounge chairs, folding beds, tents, hammocks, sleeping bags, etc.
- hand tools: bench vices, lever shearing machines, shovels, folding spades, stone crushing and stone-breaking hammers, etc.
- castings: hydrants, hydrant keys, etc.
- metal works: silos and silo funnels, industrial halls, metal joinery and other products according to customers' drawings.

For any other information please contact

ILEXIM
Foreign Trade Company
3, 13 Decembrie str.
P.O. Box 134-135
BUCHAREST-ROMANIA
Tel. 15.76.72
Telex 11226-11683

AMERICAN NEWS

RAY WEAPONRY COULD ANNIHILATE SATELLITES

THE GROWING volume of reports in recent months that the two super powers are working on ray weapons to attack objects in space indicates an immediate threat to the reconnaissance, communications and early warning satellites which form a large part of the strategic nervous systems of the two countries, and a longer term possibility of destroying incoming missiles in space, which would challenge the whole concept of deterrents.

The USSR has been testing high-energy lasers, from its Semi-palatinsk base in Central Asia. The U.S. budget for military laser research this year is \$261m, and Dr. George Hellmeier, Director of the Capital Defence Advanced Research Projects Agency recently reported to Congress a fundamental breakthrough in stepping up laser power. An American vehicle-mounted laser has shot down target helicopters at a half mile range, and work is going ahead on a lightweight chemical

laser which could be tested in space in the early 1980s. Since January U.S. Air Force sources have been warning urgently that the Soviet Union is working on an even more powerful ray weapon, the "charged particle" or proton beam. Leaks to the respected technical journal Aviation Week led in early May to the publication of a sensational article alleging that American satellites and infra-red sensors had detected at least seven Soviet tests of such a weapon since November, 1975.

High-energy laser weapons offer the possibility of immediate destruction at virtually unlimited range. According to Dr. Hellmeier they can be used to destroy missile warheads in space, disrupt communications, and destroy bombers. However, they need to be based in space for maximum efficiency and require precise detection of the target and exact aiming to be effective. The proton beam is potentially an even more serious challenge to the current assumption that missiles will always get through (though the

technical problems of perfecting it are even more formidable). It can be ground-based and it may not need an elaborate system of target detection and aiming to be effective. It has been suggested that by sweeping it very rapidly back and forth across the whole sky a curtain of energy could be created at a height of several thousand miles which would detonate any warheads passing through it. If that is so, it would constitute the first truly workable defence against ballistic missiles.

Car union leader attacks Carter rebate proposals

BY DAVID BELL

MR. LEONARD WOODCOCK, the retiring president of the United Automobile Workers' Union, sharply attacked the Carter Administration's energy plan on the week-end, saying that the provision to pay tax rebates to buyers of small, foreign-made cars "makes absolutely no sense."

The essence of the proposal, which was also attacked yesterday by Mr. Thomas Murphy, the chairman of General Motors, is that buyers of large "petrol-guzzling" cars should have to pay a stiff new tax, while buyers of small cars should get a tax rebate to encourage a switch to more economical models.

WASHINGTON, May 16. but this might well have been a breach of international agreements. Mr. Woodcock said that the effect of this would be to aid car imports at the expense of the U.S. car industry and the jobs of his members. He said that it was most unlikely that foreign manufacturers would agree to hold imports no more than the level of 200 cars reached last year, and that foreign car sales this year were already 250,000 ahead of a comparable period in 1976.

EPA emission controls

BY STEWART FLEMING

THE U.S. Government's Environmental Protection Agency (EPA) is proposing new regulations designed to put increased pressure on motor companies to ensure that their cars meet air pollution standards throughout their useful lives.

NEW YORK, May 16. Mr. Douglas Costle, an EPA administrator, said that a guarantee to car owners that their cars will, if properly maintained and operated, be repaired free is a powerful inducement to manufacturers to make cars conforming to the new standards.

Under the EPA's proposed regulations a car owner would be required to pay for corrections to cars which, while they meet air pollution standards when new, have ceased to meet them after being in use for a while.

Defence revolution

BY GWYNNE DYER

YOU NEED not be particularly cynical to suspect that the recent flood of revelations about Soviet work on ray weapons is connected with bureaucratic infighting in the U.S. Administration. The key fact about laser and proton-beam weapons is that they could challenge the hitherto unstopable long-range missiles on which both the U.S. and Soviet Union base their deterrent strategy.

It is the timing of these revelations unconnected with Air Force anxiety that Mr. Carter might negotiate away the present American advantage in cruise missiles in the SALT talks. This provides ground for doubt that the USSR could deploy operational anti-ballistic missile (ABM) defences, based on lasers and/or proton beams as early as the 1980 date suggested by some U.S.A.F. sources.

Ray weapons represent the gravest threat to strategic stability for the past two decades, no matter who gets them first. They raise problems in three major areas, firstly, their effect on the existing ABM treaty between the super powers.

Little serious thinking has yet been devoted to these problems. What is clear (as the U.S. Air Force has already discerned) is that there would be for greater military activity in space, and a much greater stress on bombers and cruise missiles. There would be a correspondingly greater emphasis on air defences, and very high attrition rates in all offensive systems.

WHEN THE WATERS OF THE GULF CAN'T COOL IRAN'S GIANT NUCLEAR PLANTS, WE CAN.



The plan was to cool the two new plants at Bushehr on the Iranian coast with enormous amounts of water from The Gulf. But on some days, The Gulf is just too warm to do the job.

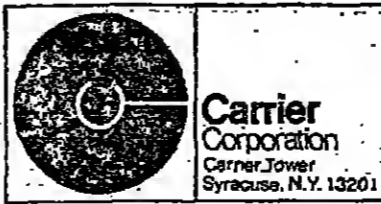
So the German company that's building Iran's huge nuclear power plants turned to Syracuse, N.Y. They contracted with Carrier International, a subsidiary of Carrier Corporation, to design and build the world's largest centrifugal cooling machines to take over for The Gulf and cool the reactors that will supply Iran with 2,400 megawatts of electricity.

Similarly, Carrier International has become the major factor worldwide in the soaring markets for all kinds of air conditioners and refrigeration equipment—accounting for 25% of Carrier Corporation's sales.

We believe our success overseas is a reflection of what Carrier Corporation is all about. We deal with energy ideas the world can use. Ideas that are at work in oil, gas and petrochemical production; waste handling; refrigerated food shipping; electronics; and of course, the widest range of high-efficiency heating and cooling equipment for residential, commercial and

industrial uses. Fifteen separate divisions, operating in 131 countries, serving hundreds of markets.

We've built a strong, growing business by helping to expand the world's supply of energy and by helping people to use it more efficiently. So when The Gulf at Bushehr is too hot to cool a nuclear reactor or the Taj Mahal needs air conditioning, we get the job.



CARRIER CORPORATION. ENERGY IDEAS AT WORK.

General Electric may end production of N-reactors

BY STEWART FLEMING

GENERAL ELECTRIC, the second largest U.S. supplier of nuclear reactors, has warned the Government that because of legal and policy restrictions in nuclear technology it may eventually stop manufacturing reactors.

NEW YORK, May 16. Several hundred demonstrators occupied a nuclear plant in Seabrook, New Hampshire earlier this month were arrested. The company dismissed 11 workers after 12 days of a week-end strike after 12 days of a week-end strike after 12 days of a week-end strike.

Court upholds pollution order against U.S. Steel

BY OUR OWN CORRESPONDENT

A FEDERAL Appeals Court daily into the lake and the river ruling against U.S. Steel for to comply with the 1972 Federal Water Pollution Control Act.

NEW YORK, May 16. The order calls for a 60 per cent reduction in ammonia, a 90 per cent reduction in phenol and a 99 per cent reduction in cyanide. U.S. Steel has been fighting the order for more than 10 years. A U.S. steel spokesman commenting on the latest ruling said that there are still several legal avenues open to the company.

NYC in stock tax move

NEW YORK, May 16.

NEW YORK CITY hopes to phase out the effect of the stock transfer tax, beginning on July 1, 1978, by refunding or crediting tax paid by brokerage houses.

CARACAS, May 16. reports on over \$8bn. in past months, some of which go back as far as two years. Since 1974, Venezuela's central Government alone has managed to budget a total of \$80bn. including other multi-billion dollar expenditures made by independent Government agencies.

Venezuelan corruption attacked

BY JOSEPH MANN

THE VENEZUELAN Comptroller General's office asserted in its annual report to Congress that public sector corruption and deficiencies in Government administration seriously interfere with Government development programmes.

One Venezuelan comptroller was forced to resign last year after publicly condemning administrative corruption.

OVERSEAS NEWS

Waldheim warns of disaster in Rhodesia

WASHINGTON, May 16. R. KURT Waldheim, the UN secretary-general, told a conference here today that a grave international disaster could occur if efforts to find peaceful solutions in Rhodesia and Namibia (South-West Africa) were not accelerated. But President Samora Machel of Mozambique said that the peoples of Rhodesia and Namibia had no alternative to armed struggle, and we believe it is a mistake to speak of peaceful solutions when there is war. However, Machel said, the international pressure had made the situation "favourable for negotiation, settlement, although they were still important obstacles, he added. The two men were addressing the first session of a six-day conference, sponsored by the UN and intended to mobilise international support for black majority rule in the two territories. Dr. Waldheim said: "Unless we accelerate efforts to find just and peaceful solutions, the unacceptable situation in Zimbabwe (Rhodesia) and Namibia, I fear that a disaster of grave dimensions will occur which will have repercussions far beyond this region." The delegates represent nearly 90 UN members and black nationalist movements. In his address, Dr. Waldheim said it was regrettable that every attempt to find a solution in Rhodesia over the last two years had been frustrated by the illegal regime and its refusal to accept reality. Instead, the government of Mr. Ian Smith "has escalated repressive policies leading to senseless killings and forcing the people of Zimbabwe to intensify the struggle." He accused Rhodesia of "repeated acts of aggression" against the neighbouring black African states of Mozambique, Zambia and Botswana, and of causing severe loss of life and property. Our Foreign Staff adds: The Maputo conference, convened following a UN resolution in December to express solidarity with the peoples of Zimbabwe and Namibia, is expected to end with a declaration firmly opposed to continuing white rule in Rhodesia, Namibia and South Africa itself. However, the declaration will be necessary, consensus so that although the U.S. and all nine members of the European Community are represented, no positive vote or veto will be necessary. It will be presided over by Ted Rowlands, junior Foreign Office minister. Mr. Andrew Young, U.S. ambassador at the UN, was expected in Maputo last night following his talks with U.S. Vice-President Walter Mondale in Lisbon at the weekend.

Quentin Peel assesses the referendum on the Turnhalle conference's constitutional plans for Namibia

An interim formula for an interim government

THE WHITE electors of Namibia, or German South West Africa as some still call it, go to the polls today in a quandary. They are being asked to approve or reject in a referendum a formula for an interim Government in the territory which, it is becoming increasingly apparent, is unlikely ever to be activated. There is, however, little doubt about the outcome. The referendum is expected to show widespread support for the South African-sponsored Turnhalle constitutional conference, which would provide for an ethnically-based administration with each of 11 ethnic groups retaining a veto on any decision. A "yes" vote for the Turnhalle proposals is being actively campaigned for by the territory's ruling National Party, has been heartily endorsed by the principal opposition party, the Federal Party, and is only opposed by the far-right-wing Herero National Party (the "purified" national party). Leaders of the National Party have travelled thousands of miles in the past few weeks explaining to small meetings of sheep and cattle farmers just why they have decided there is a need for change, and why they have abandoned their former policy of seeking closer and more permanent links with the Republic of South Africa next door. Opponents of the NP see the referendum as purely an attempt by the party leaders to win a mandate from their members for a policy vote. But it is an anomaly even in its own right. The voters are only drawn from the white population, who number some 100,000 out of a total population of a mere 280,000. Then only South African citizens can vote, thus ruling out an estimated 10,000 German nationals, many of whom have been in the country far longer than their South African counterparts. And among those South Africans, around 30,000 are effectively expatriate bureaucrats and their families with no intention of staying in the territory after independence. The whites are the only group of the 11 attending the Turnhalle conference to be consulted in their electorate on the outcome. Leaders of the other tribal and ethnic delegations maintain that there is no question among their peoples about support for the interim government, because it represents a move away from exclusive white power to shared authority. The Nationalist Party line is that a vote for the Turnhalle represents a vote against Swapo, the black nationalist movement recognised by both the United Nations and the Organisation of African Unity. The message also comes over strongly that the

Articulate black exponents of the Turnhalle model claim that although it allows the whites the power of veto they will not in practice be able to use that power whenever they might want, however unpopular it makes them, and therefore the system does allow a real transfer of power. The vast majority of white businessmen, on the other hand, are backing the Turnhalle just because they believe it will prevent any radical change in economic decision-making. They see the future of the territory clearly in terms of free enterprise versus Swapo socialism. If the current Western initiative for a compromise settlement in the territory were to find a universally-acceptable basis for the elections, including Swapo, and the nationalist movement were to win, as its supporters confidently predict, few businessmen have worked out how it might affect them. Because of the present uncertainty, investment is at a standstill, and the property market is virtually stagnant. However, only a few whites are actually emigrating. One important reason for the absence of a mass exodus appears to be confidence that South Africa would not allow a "hostile" regime in the territory, and is certainly not going to abandon its very substantial investments, especially its massive military bases along the Angolan border. Observers estimate that the South African Defence Force has spent R58m (£38.6m.) on the Drumpel base at Grootfontein, and also has a major air base at Mpaoha in the Caprivi Strip, both of which contain considerably more hardware than would be necessary to fight a guerrilla-containing operation. On the other hand the current South African willingness to entertain Western proposals for a settlement in line with UN preconditions is undoubtedly influenced by the cost of the guerrilla war, which has been put at R300,000 (£200,000) for every guerrilla killed. Mr. Vorster himself currently seems more concerned not to be seen to interfere in the decisions of the Namibian people, than to be insisting on an acceptable outcome. The Western diplomats admit that their initiative is insisting on a new start on a constitutional conference, based on free elections selected ethnic delegations like the Turnhalle. But they also insist that they do not want "to throw the baby out with the bath-water," in rejecting the real progress which the conference has made. Or as one businessman put it: "Having persuaded the most intransigent and intransigent whites to accept a settlement, it would be crazy to abandon it completely."



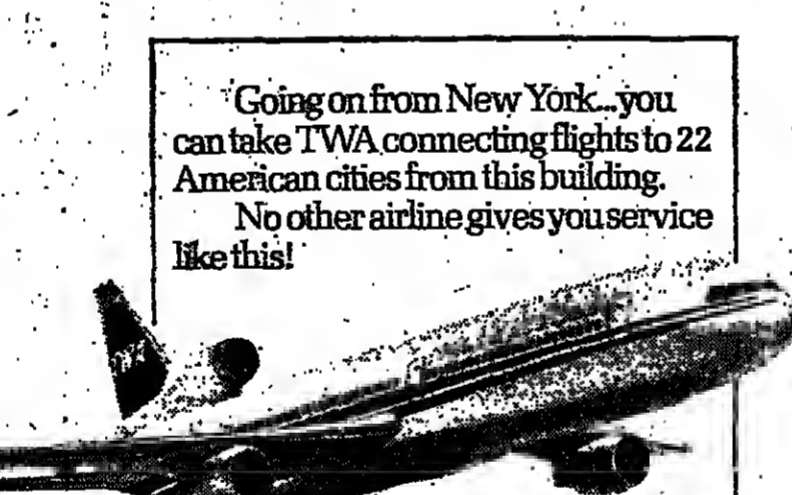
China takes hard line - U.S. must leave Taiwan

BEIJING, May 16. CHINA will not normalise relations with the U.S. unless it is given a free hand to take over Taiwan, by force if necessary, Chinese Vice-Premier Chi Teng-tuei said on Sunday in an interview with the Tokyo newspaper "Asahi," published today. "America talks about attaching the condition that the settlement of the Taiwan question should be peaceable," Chi said. "This is interference in our internal affairs. It is a thing that will be decided by China itself. From our viewpoint, there are certain revolutionary elements in Taiwan. I even believe that liberation may not be possible unless it is a military liberation by our own efforts." Chinese communist leaders use "liberation" to mean incorporation of Taiwan into the People's Republic of China. Chi said that, on Taiwan, "China is not going to bargain over principles." "In the normalisation of relations with the U.S., the remaining question is the disposition of Taiwan," the Chinese Vice-Premier said. "The Chinese position is based on three conditions: first, withdrawal of American troops from Taiwan; second, abolition of the U.S.-Taiwan defence treaty; third, an absolute break in U.S.-Taiwan diplomatic relations. If these conditions are not satisfied, normalisation is impossible." UPI

On arrival in New York you appreciate why TWA is the No.1 airline across the Atlantic.



Because you arrive at TWA's exclusive international terminal. No other airline gives you this big advantage...and what a difference it makes when you don't have to share with passengers from other airlines. For a start, you'll appreciate getting through immigration and customs faster.



Going on from New York...you can take TWA connecting flights to 22 American cities from this building. No other airline gives you service like this!



You'll appreciate TWA's speedy baggage service. No one works harder at delivering your bags fast. That's a promise!

- AMARILLO BOSTON CHICAGO CLEVELAND COLUMBUS DAYTON DENVER HARTFORD OKLAHOMA CITY ONTARIO (Calif.) PHILADELPHIA PITTSBURGH ST. LOUIS SAN FRANCISCO SAN JOSE TUCSON WASHINGTON WICHITA PHOENIX KANSAS CITY LAS VEGAS LOS ANGELES



Going into town... at this point you will have walked less than 100 yards since leaving the plane. By which time you'll appreciate why TWA carries more scheduled passengers across the Atlantic than any other airline. They make it so easy! Call your travel agent.

No.1 across the Atlantic TWA

Somalia warns Ethiopia

MOGADISHU, May 16. SOMALIA will go to war if Ethiopia invades the strategic Territory of the Afars and Issas (Djibouti) after it comes independent from France next month, Somali president Mohamed Siad Barre told visiting reporters here. Somalia would not hesitate to go to war "if the people of the area ask us," he said. Ethiopia and Somalia have a long standing dispute over Somali claims to the Ogaden region of Ethiopia. Djibouti, the majority of whose population is related to the Somalis, is Ethiopia's main access to the sea, and is sandwiched between the two socialist states. The Somali President said a secret meeting between himself and the Ethiopian leader Col. Mengistu Haile Mariam in Addis Ababa during the Cuban leader's African tour in mid-March, as reported last month in the Financial Times. "Unfortunately no agreement was reached," General Siad Barre said. Somalia could not believe in Ethiopian socialism "if he who applies socialism is mad then it is a mad socialism," he said. "We don't believe in killing and

India 'excesses' inquiry

NEW DELHI, May 16. MR. MORARJI Desai, the Indian Prime Minister, today announced the formation of a judicial commission of inquiry into excesses alleged to have been committed during Mrs. Gandhi's 18-month emergency rule. He indicated that the main subject of investigation will be Mrs. Gandhi herself, although her son, Sanjay, is also found to be covered by the inquiry. Mr. Desai did not mention Mrs. Gandhi by name, but he told a news conference that the inquiry would be into "major issues" and that it would not look into minor charges, which would be dealt with at a lower level. The investigation is to be conducted by a retired judge of the supreme Court. Mr. Desai said there had been a delay in announcing the inquiry because the Government had wanted to present concrete evidence to the commission and collecting this had taken time. At least two other similar commissions are to be appointed to inquire into deals that Sanjay Gandhi made for his Maruti motor company (which is on the point of liquidation) and corruption charges against Mr. Beni Lal, former Defence Minister, who was a close associate of Mrs. Gandhi's son. Turning to other issues, Mr. Desai denied that the Government was inactive on economic questions such as inflation and industrial policy. The formulation of policy out of the "debris left to us by the previous Government" and its execution took time.

Phalange-Syria talks

BEIRUT, May 16. DELEGATION from the Phalange Party, Lebanon's main Christian group, reached Damascus today for talks with Syrian officials. Following two days of clashes between Syrian troops of the Arab Peacekeeping Force and Christian gunmen in north Lebanon. The party had expressed great anxiety over the clashes, which were set off when two Syrian soldiers were killed and three wounded on Saturday in an ambush at the village of Billa, in the Bahari district, about 70 miles north of here. Bahari is the Christian Maronite heartland in the north. Additional Syrian troops were sent to the area yesterday and mounted a major security operation, against what an official announcement described as "members of an armed gang."

Pakistan army

THE PAKISTAN Embassy in London has denied as false the report, carried in yesterday's Financial Times, that at least seven senior officers in the Pakistan army had resigned in protest against repression by the Government of Mr. Z. A. Bhutto. Officers have, resigned, the embassy said.

ON OTHER PAGES International Company News: Dugout stock market... 34/35 Poultry results... Farming and Raw Materials: Opal mining in Australia... 37

WORLD TRADE NEWS

Japan and U.S. close to pact on television imports

BY CHARLES SMITH

TOKYO, May 16.

"No serious problems" remain in the way of an agreement for the voluntary restraint of Japanese colour TV exports to the U.S....

The definition reportedly says that kits which are exempted from the restraint agreement must lack more basic parts...

Sony has its own assembly and tube manufacturing plants in San Diego, California. Matsushita acquired Motorola's TV manufacturing interests two years ago...

U.K. deals in Egypt expected

By Anthony McDermott

BRITISH companies are on the verge of a breakthrough in joint ventures with the private sector in Egypt which could result in ten agreements involving the investment of about £150m.

HOME NEWS

Redpath to pay off 500 in Methil yard rundown

BY RAY PERMAN, SCOTTISH CORRESPONDENT IN METHIL



REDPATH DORMAN LONG is to pay off 500 men at the end of the month when it puts its oil platform construction yard at Methil, Fifeshire, on a care and maintenance basis.

150 technical staff, apprentices and maintenance workers will be retained. The company is competing with three British and one French yard for a contract from Conoco for the Methilston field...



SIR RICHARD MARSH "Need for some dialogue"

Steel consumers appoint Marsh

BY GERRY BUTCHER

SIR RICHARD MARSH, chairman of the Newspaper Publishers Association, a former Labour Minister and ex-chairman of British Rail, has been appointed chairman of the British Iron and Steel Consumers Council.

The council is an independent body set up at the time of steel nationalisation to represent the interests of British steel-using industries. As Minister of Power, Sir Richard was in charge of piloting the Steel Nationalisation Bill through the House...

Anglo-German trade gap widens

BY GUY HAWTIN

FRANKFURT, May 16.

FIRST QUARTER trade returns show that Britain's exports to West Germany continued upwards, albeit at a rather slower pace than in 1976.

are usually far from permanent and this type of growth is precisely the sort that British trade officials have been seeking. At the same time, this year's expansion should be judged against the extraordinarily high level of growth recorded in the opening months of 1976.

cent. sales increase to the U.K. should be seen against the background of average 10.2 per cent. West Germany first quarter export growth. At the same time, the 6.8 per cent. increase in imports from Britain during the period under review was considerably steeper than the overall 11.1 per cent. growth in West German imports.

Airline expands cargo operations

By Christopher Dunn

BRITISH CALEDONIAN, the U.K.'s second biggest international airline, is to expand its cargo operation from June 1.

First Frigg field gas flare lit

BY RAY DAFTER, ENERGY CORRESPONDENT

THE OPERATORS of the Frigg field have started producing gas from the large reservoir which will eventually increase the British gas industry's supplies by nearly one-third.

Partners in the Frigg venture are: U.K. sector—Total (33.33 per cent.), Elf (20.00 per cent.), Aquitaine Norge (15.83 per cent.), Elf Norge (27.61 per cent.), Statoil (5 per cent.), and Total Marine Norsk (20.71 per cent.).

Overseas investment still rising

BY GUY HAWTIN

FRANKFURT, May 16.

WEST German capital investment overseas last year continued upwards despite continued restraint in industrial investment at home.

world was coupled with the need for reconstruction at home, have, until recently, made West German industrialists chary of putting their money overseas.

investment overseas. Some DM1.3bn was invested in the U.S. while DM317m was channelled to Canada.

Aveling wins £4.5m. contracts

By Christopher Dunn

AVELING MARSHALL, the Gainsborough, Lancs., concern saved from closure 18 months ago when it was taken over by British Leyland's special products division, has won bulldozer orders from Pakistan and Kenya worth £4.5m.

Under a unique unitisation agreement all gas will flow to the U.K. British gas will pay slightly less for 40 per cent. of the output—the amount lying in U.K. waters.

The project could influence the way fields such as Frigg, Staffin and Murchison, which straddle the U.K./Norwegian median line, are developed.

Easier on the explorers

BY DAVID WHITE IN RIO DE JANEIRO

FRANKFURT, May 16.

THE BRAZILIAN GOVERNMENT is ready for a second attempt to reduce the oil majors' first round of negotiations for exploration contracts, in which promoters are to hear all the risk, turn over any productive wells to Petrobras, the state-controlled oil company, and he paid out of the proceeds, has just been completed.

and Exxon in the same kind of package as oil. BP and Shell are due to start drilling this year. Elf and Exxon in 1978. The same companies may be involved in discussions for new areas, which are likely to focus on the two offshore regions that attracted the first bids.

off Campos, north of Rio de Janeiro, is expected to start producing early next year, eventually reaching an estimated 45,000 bpd. The company and its subcontractors have drilled 48 wells in the region with a success rate so far of 35 per cent., and the British ship Wimpey Sealab has been conducting further geological surveys.

Battleaxe day

By Eric Short

BATTLEAXE, the second of the Royal Navy's Type 22 frigates, will be launched by Mrs. Audrey Callaghan, wife of the Prime Minister, tomorrow at the Scotstoun shipyard of Harland & Wolff.

Data plan for car population

BY TERRY WOODSWORTH, MOTOR INDUSTRY CORRESPONDENT

A STATISTICAL service which will help car and equipment manufacturers to identify exactly what vehicles are on the roads at any time is being launched by the Society of Motor Manufacturers and Traders.

For example, it is well recognised that there is a large scale drift of second-hand cars out of London to the provinces.

Growth forecast

Petrobras last week released its invitation, first made over a year ago, for foreign companies to present their credentials in readiness for negotiations. Gen. Araken de Oliveira, the chairman, has said between 18 and 25 major areas will be open to some short-term bids to be taken to avoid the bureaucracy that held the first talks up for so long, the areas are to be bigger, and the terms easier.

Though estimated reserves went up 12 per cent. last year—by 877m barrels—the fact of the matter is that Brazil is consuming more oil and producing less. Things are likely to continue this way at least until the mid-1980s, when Petrobras should be able to add another 10,000 barrels a day of offshore oil. Petrobras' growth forecasts are to be continually revised. If the target of 1 per cent. is not reached, Gen. Araken de Oliveira said of this year's prospects, "growth will at least be 3 per cent."

Plans to reduce Brazil's oil needs by mixing car petrol with a 20 per cent. dose of alcohol are also well behind. The Government has earmarked over \$700m this year for special programmes using sugar cane and other plants, but the necessary production level of 3.9m litres a year is not expected to be reached until three years after the target date of 1980.

Still looking

By Eric Short

While foreign companies for the first time prepare to get drilling equipment into place in Brazilian waters, Petrobras is busy looking for oil sources in other countries. Its overseas subsidiary Essoptec spent almost \$42m last year, it already produced oil in Guyana, locally, and is considering going into Ecuador. It is due to go into production in Algeria in a joint venture with Sonatrach, and has indicated an interest in sale of its oil in the Philippines.

New actuarial indices format

BY ERIC SHORT

THE ACTUARIAL indices today show an entirely new format for presenting gilt-edged price indices and yields, providing a more comprehensive pattern of movement within the gilt sector.

measure the overall return on a gilt stock including capital profit, are shown not only for term to redemption, but for the level of coupon.

Table with columns for 1976 and 1977, and rows for Price Indices, Under 5 years, 5-15 years, Over 15 years, Irredeemables, All stocks, and Fixed Interest Yields.

HOME NEWS

Liberal opposition threatens water nationalisation plan

BY STUART ALEXANDER

PROSPECTS of the Government nationalising 28 private water companies dimmed yesterday when the Liberals confirmed that they were still firmly opposed to any such move.

Provisions for taking over the companies were expected to be included in a White Paper due to be produced in about a month. The White Paper would also propose the setting up of a National Water Authority to replace the existing National Water Council, the new body having far more say in overall planning. At present planning is largely left in the hands of the regional water authorities.

Reaffirmed

The Liberals are understood to have reaffirmed their position to Mr. Denis Howell, the Minister responsible, after a meeting of the party in the Commons on Wednesday.

They also said that they would like to reserve their position on the Waterways Board in view of their desire to see canals integrated more fully into the transport system.

No statement has been made by Mr. Howell's department, but it is thought that as long as the Government is committed in full consultations with the Liberals on the water authority, it was originally made the first approach—the passage of the

Opposed

The companies themselves are vigorously opposed to any take-over and fought the move from the start. The Water Companies Association said yesterday that the existing co-operative arrangements worked well and that any future joint enterprise on a local grid system could also be put into operation.

The private companies operate in all areas except the South-West and South-West. Most were formed in the mid-19th century, are publicly quoted and limited by statute.

No accurate estimate has been made of the cost of taking them over, but it is thought that it could be as high as £450m.

They supply more than half the water in the Northumbria region and Wessex, just under half in the Southern region and a substantial percentage in Thames. Bristol is totally supplied by a private water company.

The companies fix their own charges, but both dividends and surplus levels are limited by statute. They claimed yesterday that "by and large" they were cheaper than the water authority, but that their charges varied from region to region.

Axle deal could aid Rubery's prospects

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A DEAL is in the offing which could strengthen the position of Rubery Owen, the important West Midlands motor components supplier.

Talks are under way with the U.K. subsidiary of Eaton Corporation of the U.S. for the acquisition of the axle housing manufacturing facilities at Rubery Owen's Darlaston plant.

About 4,000 people, nearly a quarter of the total manual labour force at the plant, would be affected.

For Eaton an agreement would provide extra capacity to improve penetration of the European lorry axle market.

The viability of Rubery Owen's Darlaston plant was placed under threat earlier this year by a succession of damaging strikes. However, Mr. John Owen, the managing director, said last night that the level of orders was now satisfactory and employment prospects stable.

Cash injection

Both companies have refused to divulge details of the talks, but it is hoped that they will be concluded within the next few weeks.

It seems likely that any deal would provide a valuable cash injection for Rubery Owen to bolster its activities in supplying components, fuel tanks and wheels to the motor industry.

The holding company for the Robery Owen group has a 25 per cent. shareholding in Eaton Axles, the U.K. subsidiary which would take over the Darlaston axle housing facilities. The link, formed five years ago, will continue.

Eaton Axles has manufacturing facilities at Aycliffe and Warrington employing some 1,500 people. The Darlaston plant supplies housings to other companies such as Ford and Leyland, as well as to Eaton. All contracts would be honoured, Eaton said last night.

A deal would make the U.S. subsidiary virtually self-sufficient in axle housings, but it would continue to expand supplies to other companies.

£12m. for medical electronics

BY DAVID FISHLICK, SCIENCE EDITOR

EMI IS investing £12m. a year to research and develop in medical electronics—nearly half of its total research budget—said yesterday.

It was announcing the latest development in its EMI-Scanner series of computerised X-ray instruments, which is claimed to halve the time in which patients can be examined. The company has more than

200 EMI-Scanners of all types on order, worth an estimated £44m. In addition to more than 600 already installed.

The new scanner is being used to launch a new drive for export orders, focusing on Europe, Australia, and some Pacific islands were back to with the complete system has embarked on a tour of leading European medical centres, starting in Munster, West Germany.

Mail 'normal'

AIR MAIL services between Britain, Australia and some Pacific islands were back to normal yesterday after the end of a ten-day strike by air traffic controllers in Australia.



The 1977 Scimitar GTE: well established.

Reliant may soon change hands

BY TERRY DODSWORTH AND TERRY WILKINSON

OWNERSHIP of the Reliant Motor Company, the Staffordshire-based maker of the Scimitar sports car and Robin three-wheeler, may change in the next few days.

Reliant is the second-largest indigenous-owned British car company after British Leyland. It said yesterday that talks were taking place which might result in an offer "appreciably below" the market value of the shares.

The Hodge Group, which was taken over by Standard Chartered Bank a few years ago, holds 77 per cent. of Reliant equity.

There have been suggestions that this ownership pattern has not worked in the advantage of Reliant, which has all its interests in the engineering field.

Reliant has shown strong expansion in ownership this year in spite of the problems which have in small car companies these days.

1973/4 Reliant recorded a profit of more than £500,000 the following year. In the financial year to February 1976 it swung back to a loss of nearly £900,000. It last paid a dividend two years ago after a gap of two years.

In the six months to last August the company reported losses reduced to £350,000 from £419,000—all sustained in vehicle manufacture.

Reliant seems to feel, however, that the worst of the recession is now behind it. Its problems in the early part of last year were partly due to the introduction of the revised version of the Scimitar, and work on the new Robin four-wheeler.

These are now both well established. Difficulties remain with the Robin three-wheeler, which has suffered a 30 per cent. fall in production this year (in the first four months of this year the company made 2,500).

The main reason for this, the company said, was the financial constraints on the smaller income groups which buy three-wheelers. This situation was in hand after the introduction of a voluntary redundancy scheme for about 130 workers.

Reliant has shown strong expansion in ownership this year in spite of the problems which have in small car companies these days.

News that the offer would be below the current market price brought a 1 1/2 p fall in Reliant share prices to 5 1/2 p, at which the group is capitalised at £1.3m.

EMI puts £6m. into Christie film

BY ARTHUR SANDLES

EMI is to make its biggest investment in a film, a version of Agatha Christie's Murder on the Nile. The picture is a follow-up to Murder on the Orient Express, which had a distributors' gross of \$40m.

The film will be wholly financed by EMI and will be directed by John Guillermin, who made Towering Inferno, a film which will be produced by John Brabourne and Richard Goodwin.

The new project was unveiled in Cannes yesterday by Mr. N. Cohen, chairman and chief executive of EMI Films.

It has been known for some time the company was planning a successor to the hugely successful Orient Express, but the scale of this particular investment has come as something of a surprise.

Clearly the company is planning something of a blockbuster with Murder on the Nile, which will have to take around £20m at the box office before coming into profit. Much of this would come from U.S. distribution.

EMI is planning to film third Agatha Christie story, under the Sun.

The company has announced that it intends making the film Atlantis in the U.S. shortly. Atlantis will be produced by Mr. Michael Dee and Mr. Barry Spinkings, joint managing directors of EMI Film Distributors, and the new chairman of EMI when it buys British Lion.

Mr. Deely and Mr. Spinkings have had two previous successes in the Atlantis mould, the last being Time Forgot and All Earth's Core.

Blockbuster

CONSUMER CREDIT ACT

You offer credit, hire or loan facilities—but haven't a licence? Then act immediately.

Office of Fair Trading

You need a licence if:

- * You are in business and lend money; offer credit or give people time to pay for goods or services.
* You offer hire purchase, instalment sales, cash loans, overdrafts, budget or subscription accounts, certain mortgage agreements or issue your own credit cards or trading checks—in fact any form of credit.
Examples: Retailers or trade suppliers offering credit, banks, finance houses, pawnbrokers and money-lenders, check traders, motor dealers, mail order firms, credit card issuers, life insurers, mutual loan clubs, firms offering loans to employees.
* You hire out, lease or rent goods to others.
Examples: TV's, cars, office or factory equipment or plant, vending machines.

You don't need one if:

- * All you do is allow customers to pay up in full in one amount at the end of a set period (this covers traders' normal weekly or monthly accounts).
* You deal with limited companies only.
* The credit or hire parts of your transactions always involve amounts exceeding £5,000.
* You simply accept credit cards or trading checks issued by other organizations.
* All your hire agreements specify they are for a period that cannot be longer than 3 months.

SPECIAL NOTICE TO SMALL TRADERS

Sole traders, partnerships and other unincorporated bodies who never give credit of more than £30 do not need a licence for the time being. This deferment does not apply to corporate bodies (for example limited companies), or any consumer hire transaction. The deferment will cease to apply the moment credit exceeding £30 is provided.

You'll need to apply later if you don't actually finance credit yourself, but introduce people to sources of credit.

Under the Consumer Credit Act, you need a licence to operate in most fields of credit or hire.

This is to ensure that dishonest traders can no longer profit from people's ignorance, or give the credit business a bad name.

So find out right away whether you need a licence (if you haven't already done so). Post the coupon below for the latest edition of our free booklet 'Do you need a Licence?' and an application form.

Or go along to your local Trading Standards Department (known in some areas as the Consumer Protection or Weights and Measures Department).

Remember: without a licence, your credit or hire activities could well be illegal.

Any agreements you enter into may be unenforceable and lose you money.



To: Office of Fair Trading, Section 183 Bromyard Ave, London W3 7BB. Please send your free explanatory booklet, application form and details of fees. Name, Company, Nature of Business (If retailer, state type), Address

Transport White Paper delayed until mid-June

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE WHITE PAPER on transport policy, promised for publication this month, will not appear until mid-June at the earliest.

Two reasons were being given in Government circles yesterday for the late change of plan, which came after weeks of confidence in the Department of Transport that the timetable for the policy statement was being comfortably met.

First of all, it is said, President Carter's visit and the economic summit in London last week absorbed the attention of senior Ministers. Consequently they are only this week being given copies of the paper.

Secondly, there is the unresolving dispute in the Government Stationery Office, which has convinced the Department of Transport that it cannot hope to meet its deadline.

TV not thought harmful to children—survey

BY DAVID FREUD, INDUSTRIAL STAFF

A SURVEY by Conservative women indicates that most people believe the vast majority of television programmes have no harmful effect on children.

The survey on the media was made at the beginning of the year in Surrey, Kent and Sussex. The findings on the harmfulness of TV were presented on a sample containing a girl with 10 other public opinion topics to the Conservative women's annual conference at Central Hall, Westminster.

The two-day conference, starting next Tuesday, will devote most of its time to discussing the 11 topics.

This year the agenda contains only two motions. The first urges taxation changes for pensioners, widows and one-parent families, while the second calls on the Conservative Party to

Turnover of catering trade rises 15%

TURNOVER of the catering trade in the first quarter of the year was 15 per cent. above that of the same period last year, according to the Department of Trade.

This was 4 per cent. higher than the figure for the last quarter of last year, a little more than 7 per cent. above average level for last year as a whole. The figures are seasonally adjusted and at current prices.

The biggest rise (23 per cent.) was recorded by licensed hotels and holiday camps. The smallest rise (13 per cent.) was recorded by public houses.

Domestic furniture deliveries rose to an estimated £71m. in March, according to Department of industry figures issued yesterday. This is about £7m. above the February figure and £12m. above deliveries a year before.

Handwritten scribble at the bottom of the page.

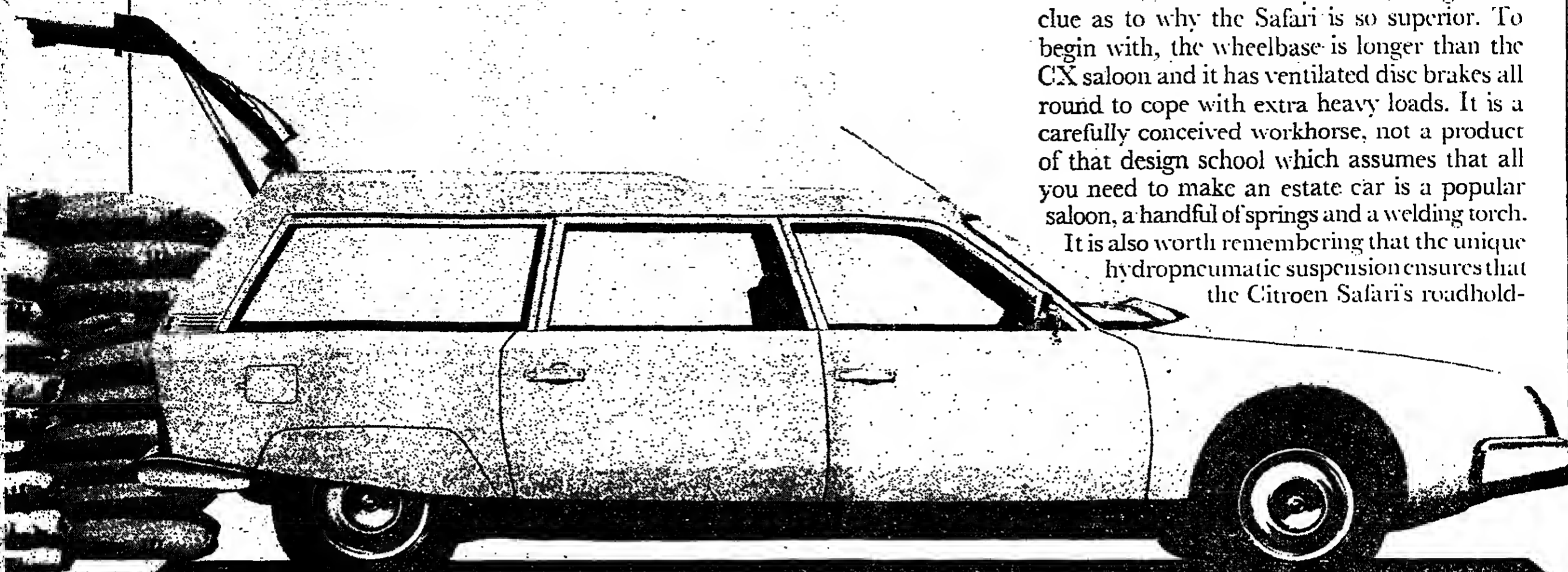
CITROËN CX SAFARI.

A different kind of animal.

IF YOU load half a ton of cargo into the back of an ordinary estate car, you tend to turn it into a two-wheeler with its nose in the air. Yet despite its aristocratic lines, the Citroën CX Safari steadfastly refuses to consider such an option, and remains perfectly level regardless of its burden.

In fact, it is those very lines which give the clue as to why the Safari is so superior. To begin with, the wheelbase is longer than the CX saloon and it has ventilated disc brakes all round to cope with extra heavy loads. It is a carefully conceived workhorse, not a product of that design school which assumes that all you need to make an estate car is a popular saloon, a handful of springs and a welding torch.

It is also worth remembering that the unique hydropneumatic suspension ensures that the Citroën Safari's roadhold-

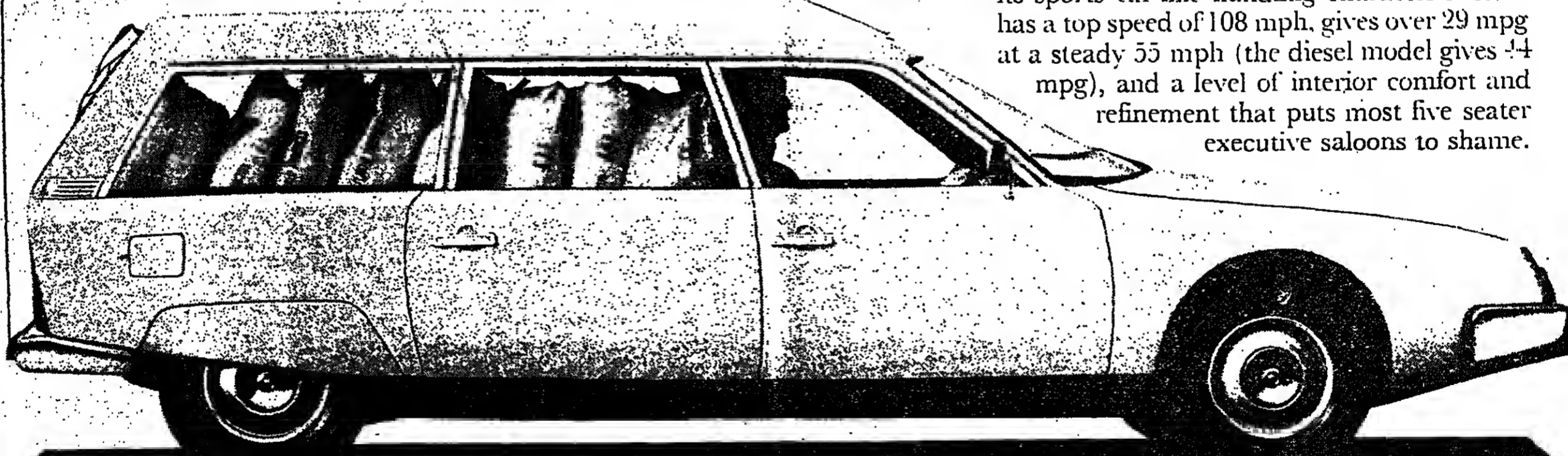


YOU CAN LOAD IT UP

ing and handling are unwaveringly accurate whether the full 75.16 cu.ft. load capacity is being used or not.

And then there is VariPower steering. Featherlight VariPower steering makes the Safari as manoeuvrable and nimble as many small cars for town driving and tight parking. As you go faster the steering gets progressively firmer with increasing "feel", so you retain full control at all speeds. The wheels are not deflected by stones or irregularities in the road surface. For the motorist, it means effortless driving not only in town but mile after mile on a long run.

Yet the CX Safari does not merely offer juggernaut-like carrying capacity. To go with its sports car-like handling characteristics, it has a top speed of 108 mph, gives over 29 mpg at a steady 55 mph (the diesel model gives 44 mpg), and a level of interior comfort and refinement that puts most five seater executive saloons to shame.



BUT YOU CAN'T WEIGH IT DOWN.

Luxury in an estate car? Well, Citroën reasoned that since the load compartment at the back of their Safari was so much better than those of other estate cars, it was only fitting that the same should be said about the people compartment at the front.

All Citroën cars have a 12 month guarantee. Please enquire about our Personal Export, H.M. Forces and Diplomatic schemes and Preferential Insurance and Finance schemes. Check the Yellow Pages for the name and address of your nearest dealer. Citroën Cars Ltd., Mill Street, Slough SL2 5DE. Telephone: Slough 23808.

CITROËN CX SAFARI

CX2400 Safari £5150.34 CX2400 Safari with C-matic £5410.08. CX2200 Safari Diesel £5298.93. Prices include car tax, VAT and inertia reel seat belts, but exclude number plates and delivery charges. Prices correct at time of going to press.

EMI £6m. Christ film
Blockbuster
left total in 1975
White Day
light hearted survey
featuring 1500

U100 15000

PARLIAMENT and POLITICS

Callaghan denies campaign against ambassador Tories seek Drax B tenders clarification

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AMID HEATED scenes in the Commons yesterday, the Prime Minister rejected Conservative demands that he should make a personal apology over allegations that there had been a Government smear campaign against Sir Peter Ramsbotham, the outgoing British Ambassador to Washington.



MR. WILLIAM WHITELAW "A disreputable affair"

Mr. Whitelaw was supported by Mr. John Davies, shadow Foreign Secretary, who described as "a thoroughly bad bit of work" the reappointments which had followed last week's announcement that Sir Peter Jay, Mr. Callaghan's son-in-law, was to be replaced by Sir Peter Ramsbotham.

Mr. Callaghan recalled that Mr. Callaghan had already issued the official briefing which he gave last Thursday contending no offensive personal reference to Sir Peter. Choosing his words carefully, Mr. Callaghan added that it was impossible at this stage to prove or disprove claims that personal remarks had been made in a "private conversation" after the official briefing.

MANY MPs seemed surprised in the Commons yesterday when Mr. Alex Eadie, Under-Secretary for Energy, indicated that competitive tenders will be invited for the contract for the Drax-B power station estimated to cost £600m.

used the qualification that he "understood" that this would be the procedure followed. Speculation about a Cabinet split over the Drax-B issue was reflected in a question by Mr. Richard Keley (Lab., Don Valley), who asked if the Minister was able to give an indication that there was "Cabinet unanimity" on the matter.

Financial Times putting the "Weinstock line" (52) Mr. Mike Thomas (Lab., castle E) who has strongly urged the order to be GEC's rival, C. A. F. insisted that a "major vote" was being taken. He said that the likely increase in prices as a result of the ordering of Drax-B. He claimed that the order would be saved in social security by the placing of which would preserve 4,000 jobs.

'Episode has left a nasty taste'

IN THE Lords, Lord Carrington, Opposition leader, said he welcomed the Prime Minister's statement. "But the whole of this episode has left a very nasty taste in my mouth."

Mr. Peter Rost (Con. South East Derbyshire) is the Secretary of State for the development of alternative renewable sources of energy.

MP warns on dangers in police pay deadlock

NO ONE COULD contemplate with anything but horror the prospect of industrial action by Britain's police, Mr. Michael Bates (C. Petersfield) said in the Commons yesterday.

Police Federation, said the mood of the police was one of "deep and dangerous frustration" with growing anger and despair.

Foot remarks 'a historical survey of judges' attitudes'

THE LORD CHANCELLOR, Lord Elwyn-Jones, was yesterday asked by Lord Hailsham (C.) in the Lords whether a week-end speech by Mr. Michael Foot, Lord President of the Council, represented the Government's attitude to the judiciary.

Lord Hailsham demanded. Lord Elwyn-Jones replied: "When I was given advice on the question of resignation I do not think you will be the first person to attack the judiciary as a whole but identifying one part of the experience of the trade unions in the historical past."

New PAYE codes for June pay

TAX OFFICES will be sending out notices of amended PAYE codes taking into account the increase in the additional personal allowance to employees and their employers on May 27.

Speaker rejects hybridity claim

THE SPEAKER, Mr. George Thomas, ruled in the Commons that Mr. Maxwell-Hyslop's arguments were not applicable.

Written Answers

ENERGY

Mr. Peter Rost (Con. South East Derbyshire) is the Secretary of State for the development of alternative renewable sources of energy.

TREASURY

Mr. Michael Bretherton (Con. Louth). What is the biggest single donation from members of the public that has been received to relieve the National Debt?

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on May 14, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise.

Sharp fluctuations have been seen in the foreign exchange market. Rates in the table below are out to all cases closing rates at the dates shown.

Table with columns: Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling. Lists various international exchange rates.

Part of the French Community in Africa formerly part of French West Africa... The Omani has replaced the U.S. franc... The Mongolian mugh has been replaced by the official commercial rate of 2.23 Russian roubles to the North Vietnamese dong at 0.36 roubles and the North Korean won at 5.495 roubles.



When you fly UTA, you'll probably be in the air at least 7 1/2 hours. So you'll want nice surroundings for interiors are by Isabelle Hebeby - France's best. Legroom (our DC10's have only 27.5 seats). Entertainment (we provide in-flight movies, 7 channels of stereo music, and magazines). And you'll want the finest food.

UTA - The long distance French Airline. Large stylized logo and promotional text.

Thomas Cook Bankers. Thomas Cook Travellers Cheques. The accepted name for money. Worldwide.

The Norwich way to international finance is through A P Bank.

Right at the heart of the City money markets at No. 7 Bishopsgate is one of London's established international banking organisations: A P Bank.

- 1 BILL THORPE Foreign Exchange Manager
- 2 PETER BECKETT Chief Foreign Exchange Dealer
- 3 PAUL BISHOP
- 4 NICK GLOVER
- 5 BRENDAN LYNCH
- 6 KEITH BENNETT
- 7 PETER DUNN Exchange Dealers
- 8 KATHY CHESHIRE
- 9 MARGARET BOHLE Overseas Telex Link Operators



Here in the dealing room the A P Bank currency men are in constant touch with money markets all over the world.

As an authorised bank A P B has built up a particular expertise in foreign exchange, moving quickly and decisively in today's fluctuating currency markets. Their membership now within the Norwich Union Insurance Group

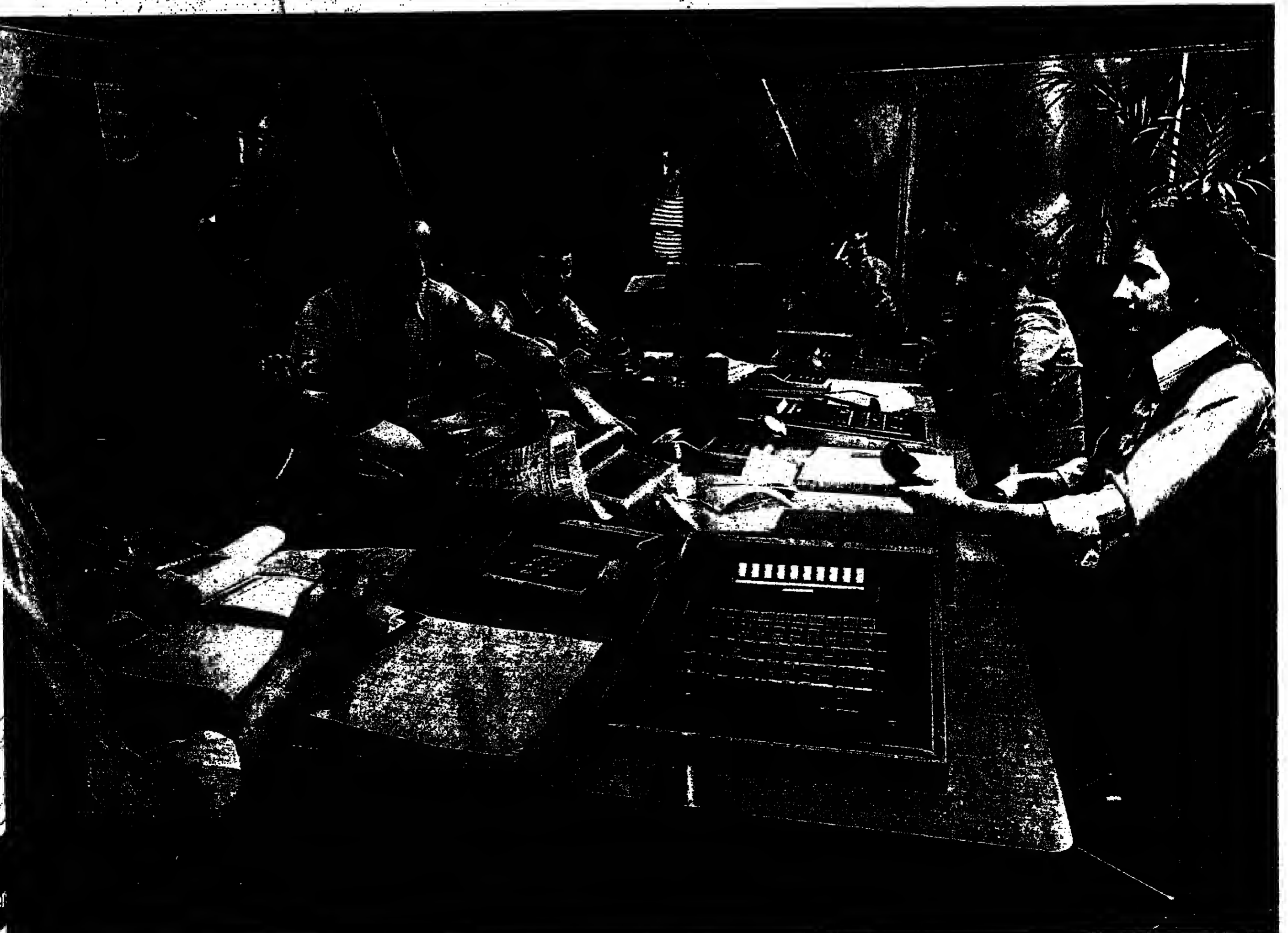


creates a particularly appropriate partnership. The Norwich way of doing things is the A P Bank way of doing things. The accent is on personal contact with people who are experts in their field.

At A P Bank, every customer's account is the direct responsibility of a senior manager. The bank's full range of operations includes every aspect of domestic and international finance, with specialist services in foreign exchange, arbitrage and Euro-currency transactions.

So banking forms another link between Norwich Union Insurance and the City of London.

Whether you're looking for a personal endowment policy, a company pension scheme or export finance in any currency, you can get it the Norwich way.





METALWORKING

Cast iron scrap recycled

FOUNDRY customers are being offered their own cast iron borings back in piglet form to provide a reliable product of known size and at considerable savings by Wellman Ferrous Processors in a new service.

Piglets, which measure 80x42x25mm, are forged at high temperature after de-oiling. They can be used to replace up to 50 per cent expensive pig-iron and all cylinder block scrap.

General application is as an alternative to low phosphorus pig-iron or scrap, but the range currently covers castings in BSS grades 10 to 23. In making valve bodies (pressure tested) BSS grade 17, piglets can replace all cylinder scrap and 60 kilos of pig-iron per 500 kilo charge with a claimed saving per tonne of metal at the spout of £2.47.

Cuppaks of known analysis plus alloy, carbon or other additives to customer needs simplify handling, storage and charging. Three tonnes requires only a square yard of floor space.

Among the types of piglet produced are those with a 4 per cent plus carbon content to replace a proportion of special pig-iron and "specials" with a carbon content of around 10 per cent for carburising and re-alloying in the steel industry.

A plant is being built to make piglets from cleaned swarf as an alternative to pig-iron and cylinder scrap for use in steel and iron foundries. Because it is primarily a system that recycles valuable materials the export potential is being vigorously pursued through the offer of plants with production rates of up to 25 tonnes an hour. Export inquiries for piglets amounting to about £500,000 were received at Foundry 77 exhibition just ended. More from Wellman Ferrous Processors, Cornwall Road, Smetwick, Warley, West Midlands, B66 2TU. PETER CARTWRIGHT

PRODUCTION CONTROL

Shop floor master-mind

A JOINT development programme by ICL and Vickers Engineering with support from the Department of Industry has resulted in a system package called OMAC intended for optimising manufacturing control in medium sized engineering companies.

Aimed mainly at 400 existing 2903 users in manufacturing, OMAC complements the two existing ICL manufacturing systems—System 10 SAFES at the lower end of the market and NIMMS at the upper end. It is expected to be applicable when the order of 50,000 piece parts are involved.

OMAC is implemented with VDU production office terminals backed preferably by simple electronic data collection units on the shop floor, although basic data can be fed in from departmental offices.

All the necessary information concerning the flow of work, components, materials and the computer and at the VDU's executive personnel are able to get the necessary data to take actions which, in the last analysis, will maximise profits.

ICL likens the effect of using OMAC to that which a one-man business experiences—all the facts are to hand.

Furthermore, there is no question of the company having to alter its technique to suit the computer. OMAC can be made to fit the user's requirements—not a prime feature of some earlier systems.

There are five modules covering the essentials of manufacturing: bill of materials—the list of components, sub-assemblies and the quantities of each; production control—the art of holding just sufficient materials and components to meet orders; requirement planning—basically the balance between order, intake and manufacturing capability; work in progress monitoring; and production costing.

The modules may be implemented separately but will always completely inter-relate; data arising in one will be exactly accounted for in any other.

South Wales Switchgear, a Hawker Siddeley company, is the first commercial user, running the package on its recently acquired 2903 machine. Half-a-dozen other orders have been placed and ICL expects to sell about 60 packages in the coming year. OMAC costs about £200/month, excluding all hardware.

work components, materials and the computer and at the VDU's executive personnel are able to get the necessary data to take actions which, in the last analysis, will maximise profits.

ICL likens the effect of using OMAC to that which a one-man business experiences—all the facts are to hand.

Furthermore, there is no question of the company having to alter its technique to suit the computer. OMAC can be made to fit the user's requirements—not a prime feature of some earlier systems.

There are five modules covering the essentials of manufacturing: bill of materials—the list of components, sub-assemblies and the quantities of each; production control—the art of holding just sufficient materials and components to meet orders; requirement planning—basically the balance between order, intake and manufacturing capability; work in progress monitoring; and production costing.

The modules may be implemented separately but will always completely inter-relate; data arising in one will be exactly accounted for in any other.

South Wales Switchgear, a Hawker Siddeley company, is the first commercial user, running the package on its recently acquired 2903 machine. Half-a-dozen other orders have been placed and ICL expects to sell about 60 packages in the coming year. OMAC costs about £200/month, excluding all hardware.

work components, materials and the computer and at the VDU's executive personnel are able to get the necessary data to take actions which, in the last analysis, will maximise profits.

ICL likens the effect of using OMAC to that which a one-man business experiences—all the facts are to hand.

Furthermore, there is no question of the company having to alter its technique to suit the computer. OMAC can be made to fit the user's requirements—not a prime feature of some earlier systems.

There are five modules covering the essentials of manufacturing: bill of materials—the list of components, sub-assemblies and the quantities of each; production control—the art of holding just sufficient materials and components to meet orders; requirement planning—basically the balance between order, intake and manufacturing capability; work in progress monitoring; and production costing.

The modules may be implemented separately but will always completely inter-relate; data arising in one will be exactly accounted for in any other.

South Wales Switchgear, a Hawker Siddeley company, is the first commercial user, running the package on its recently acquired 2903 machine. Half-a-dozen other orders have been placed and ICL expects to sell about 60 packages in the coming year. OMAC costs about £200/month, excluding all hardware.

HOW MUCH CAN HARVEY TRIM OFF YOUR FORK LIFT BILL?



Harvey As Britain's biggest people in fork lift hire, we have experience of every make of machine, every machine function, every specialised application attachment.

And all this accumulated expertise is yours. Free. Whether you hire or own at present, ask us to analyse your handling needs.

With our background, our massive fleet and our keen long or short term hire rates, chances are we can show you a worthwhile saving.

Even if we can't, it won't cost you a penny to reassure yourself you're not wasting a penny.

So call us. At Tel: High Wycombe 21032.

Britain's biggest fork lift hire company.

Harvey
A member of the Lax Service Group

DATA PROCESSING

Towards the ten-second 'fax'

SUCCESSFUL development of a is unmanned, the message will be one-minute device for facsimile automatically print out, also at transmission of information for ten seconds per A4 size, in a military purposes, under a joint print quality virtually unprogramme with the Govern- distinguishable from a letter or document produced convention- has enabled Muirhead to incorporate advances in one of its latest pieces of facsimile working equipment which allow the unit to accept and deliver a page in only ten seconds.

The company is just moving into promotion and selling of the equipment which combines word processing with document capture and runs over leased lines, or other forms of networks. The equipment will interest the both between a company and its subsidiaries and with other organisations outside the company network.

Muirhead, which still dominates large areas of the market for facsimile devices, including a 85 per cent claimed share of the market for newspaper page transmission equipment, sees in this new form of fax, the system for the future.

It allows operators to key in messages on VDU and keyboard and relevant documentation at full speed and will store a large amount of data of transmit immediately to one or several destinations, as the priority and line availability dictate.

At the other end, if the VDU

There, tenders had been called for a large amount of equipment with each machine costing £2,500 or thereabouts and the German Post Office committed to spend over an indefinite period around £3m.

In France, plans were afoot to buy and install some 100 facsimile machines with prices well under £400 per unit quoted. It is understood that Muirhead is in close contact with the French post office on the requirements for this immense project for which ample funds appear to be available in France.

One point on which Sir Ray was particularly insistent was the lack of appreciation on the part of the DoT of the important role weather facsimile could play in the protection of merchant shipping against freak weather. Now that a satellite is able to measure wave heights from synchronous orbit, the weather charts for the seas ahead of a ship can be made much more accurate. They can be made available on unattended equipment and prevent loss of time, severe damage and sometimes total shipwreck at a yearly cost probably less than that of pushing through foul weather for several days.

More from Muirhead on 01-650 4885.

Friction screw press

THE FIRST Vancori friction screw presses to be installed in the U.K. are being used to produce cutlery blanks at Nickel Blanks (Sheffield).

This company says that the presses are faster and quieter in operation than the drop hammers previously used, creating a more pleasant working environment, and helping the company comply with Sheffield industry noise by-laws.

Another advantage is that operator-training is simpler with presses than with hammers. Two presses have been installed, with screw diameters of 150 and 180 mm, and nominal pressures of 200 and 300 tons. The speed of impact is slower than that of drop hammers, resulting in a reduction in shock and stress. Automatic or single stroke electro-pneumatic control allows high energy and stroke to be adjusted. An electro-pneumatic brake acts on the flywheel.

The presses have been installed with screw diameters of 150 and 180 mm, and nominal pressures of 200 and 300 tons. The speed of impact is slower than that of drop hammers, resulting in a reduction in shock and stress. Automatic or single stroke electro-pneumatic control allows high energy and stroke to be adjusted. An electro-pneumatic brake acts on the flywheel.

PLASTICS

Plan to cut mould costs

INCREASING DEMAND on the manufacturers of moulds and dies is planning to speed up to £25m. on these tools this year, has stimulated widespread interest in methods of faster and cheaper mould production.

The problem will require a spread of knowledge across a range of disciplines, from polymer chemistry to metallurgy and metalworking. Both the British Plastics Federation, and the Rubber and Plastics Research Association, have expressed the hope that any work to be carried out in this field should be co-ordinated.

RAPRA is already working on a three-year project funded by the Engineering Materials Requirements Board in close collaboration with the Production Engineering Research Association—current studies are on the optimising of tool cooling and in the thermal properties of polymers. This first year's work will cost £40,000 and the funding may be increased.

BPF and the Gauge and Tool-makers Association are undertaking a demand study, in which RAPRA is closely involved.

At present with the secretariat of the EMRB at the Department of Industry is a series of projects, submitted by Yantley Polymer Engineering Centre (part of the Fulmer Research Institute) for funding for an investigation into methods of speeding mould production.

This work, if it is approved, is expected to be of particular interest to injection moulders, and aimed at novel technologies developments which should show significant cost savings by easing production restraints in mould manufacture. A further announcement on this project is expected from YEQU in two or three weeks.

COMMUNICATIONS

Viewdata on trial in Germany

FIRST export of the British Viewdata system (being a combination of GEC computer equipment and Post Office software) is to be announced later this week. The German Post Office has taken delivery of a GEC 4080 computer system for use in its proposed public teletext information service—Bildschirmtext—equivalent to Viewdata.

Viewdata, which was pioneered in Britain by the Post Office, is a system whereby a subscriber may use the public service telephone network to interrogate a data base and cause selected information to be displayed on a domestic television receiver fitted with a Viewdata decoder.

The system differs from Ceefax and Oracle, put out by the BBC and IBA, respectively, in that the computing aspects and with a

COMPONENTS

Permanent watch illumination

THE LAST remaining significant objection to the liquid crystal digital watch—that it cannot be seen in the dark—is now being overcome by the installation of "everlasting" tritium-gas phosphor light sources that need no batteries.

Leading the field in the U.K. is Saunders. Developments with a time variation of its well known units this year. To meet the demand from this and other makers—it has samples out with over 30 watch companies in the U.S. and elsewhere—Saunders' Roe anticipates doubling its production rate during the next 12 months.

The company has gone to some length to emphasise that there is no radiation danger from the

assembly of its own watch modules from chips and displays expects to be putting the Betalight into production this year. To meet the demand from this and other makers—it has samples out with over 30 watch companies in the U.S. and elsewhere—Saunders' Roe anticipates doubling its production rate during the next 12 months.

The company has gone to some length to emphasise that there is no radiation danger from the

GRAPHICS

Speeds the lettering

THE GRITZER drawing box lettering machine put on market by G.M. Technical Services of Barnet is aimed at speeding the productivity of draughtsmen by reducing the time needed to annotate drawings.

It takes the form of a 20" typewriter that can be fixed to any board or drawing machine including track-parallel parallelgram mode. A self-inking pad ensures that well produced consistent characters are printed so that copy prints can be made dry-line process.

A range of eight standard boards in 3.5 or 2.0 mm size is available and there is choice of letters, figures and symbols to suit particular applications—for example, electric circuit drawing. One of the standard keyboards is Cyrillic and special symbols can be printed on request. More on 01-440 0919.

HANDLING

Folding palletised container

LAUNCHED yesterday at Mechanical Handling Exhibition (NBE, Birmingham, May 16-18), TriStack, an integral pallet pack system which is claimed to be the first heavy duty pallet container which can be folded flat in one piece, without re-arranging the pallet.

A three-section, four-way end pallet is permanently secured to the base flaps of the triple-deck fibreboard container. Main flaps are taken by the two outer sections, while the third flaps, both flaps. It is secured one, and has a groove into which the other slats, forming a seal and central support.

By unclipping the central section the entire container is folded flat. For delivery a storage, the folded container are interleaved and delivered in packs of 36, saving on transport costs. Serial quantities are available.

The containers are made ISO sizes, of to customer requirements. They are stated to be sufficiently strong for many trip applications.

Details from the maker, W.M. Containers, 1, Molwynn Road, London W14 5AA (01-894 8888).

COMMUNICATIONS

Viewdata on trial in Germany

FIRST export of the British Viewdata system (being a combination of GEC computer equipment and Post Office software) is to be announced later this week. The German Post Office has taken delivery of a GEC 4080 computer system for use in its proposed public teletext information service—Bildschirmtext—equivalent to Viewdata.

Viewdata, which was pioneered in Britain by the Post Office, is a system whereby a subscriber may use the public service telephone network to interrogate a data base and cause selected information to be displayed on a domestic television receiver fitted with a Viewdata decoder.

The system differs from Ceefax and Oracle, put out by the BBC and IBA, respectively, in that the computing aspects and with a

assembly of its own watch modules from chips and displays expects to be putting the Betalight into production this year. To meet the demand from this and other makers—it has samples out with over 30 watch companies in the U.S. and elsewhere—Saunders' Roe anticipates doubling its production rate during the next 12 months.

The company has gone to some length to emphasise that there is no radiation danger from the

GRAPHICS

Speeds the lettering

THE GRITZER drawing box lettering machine put on market by G.M. Technical Services of Barnet is aimed at speeding the productivity of draughtsmen by reducing the time needed to annotate drawings.

It takes the form of a 20" typewriter that can be fixed to any board or drawing machine including track-parallel parallelgram mode. A self-inking pad ensures that well produced consistent characters are printed so that copy prints can be made dry-line process.

A range of eight standard boards in 3.5 or 2.0 mm size is available and there is choice of letters, figures and symbols to suit particular applications—for example, electric circuit drawing. One of the standard keyboards is Cyrillic and special symbols can be printed on request. More on 01-440 0919.

HANDLING

Folding palletised container

LAUNCHED yesterday at Mechanical Handling Exhibition (NBE, Birmingham, May 16-18), TriStack, an integral pallet pack system which is claimed to be the first heavy duty pallet container which can be folded flat in one piece, without re-arranging the pallet.

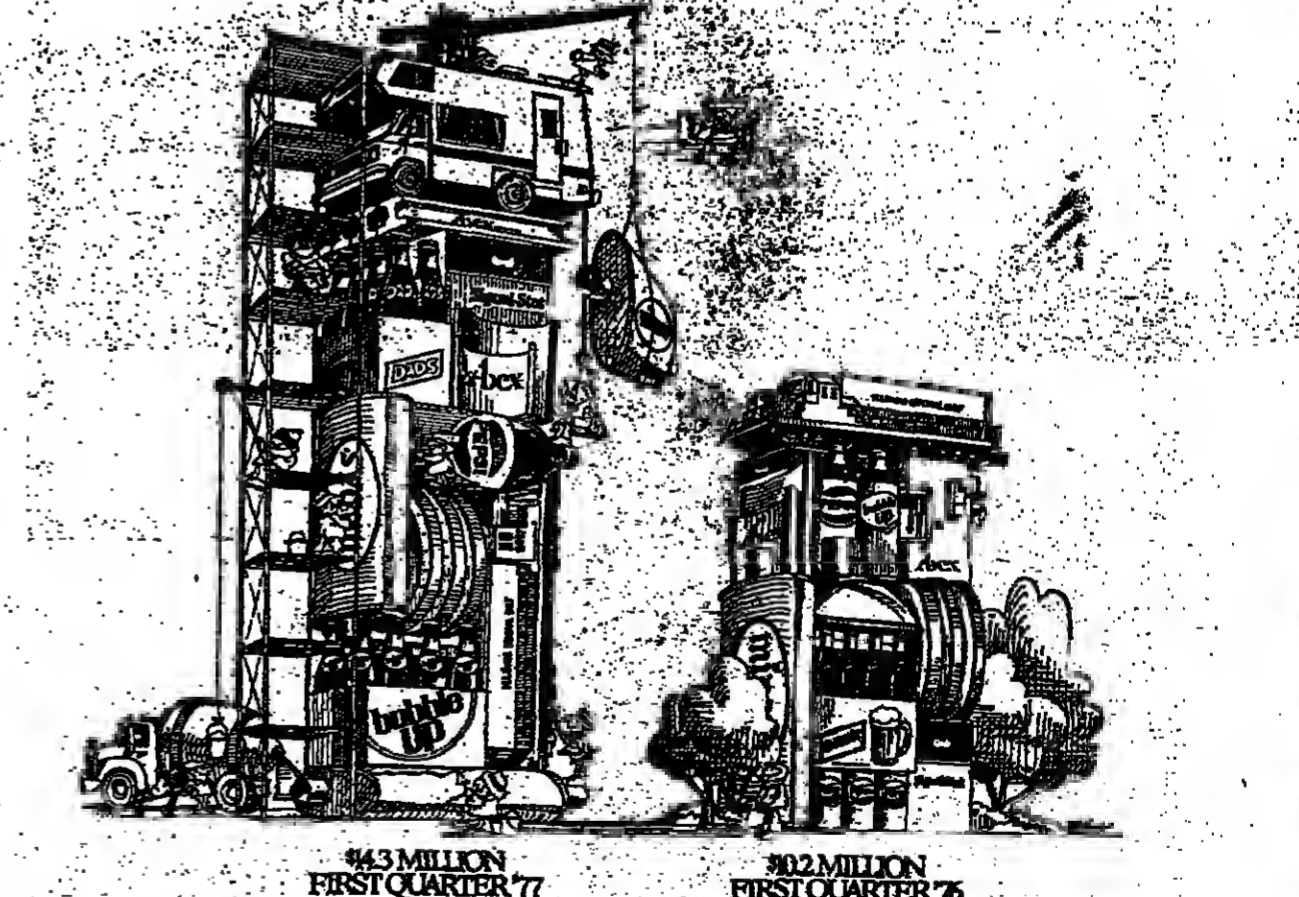
A three-section, four-way end pallet is permanently secured to the base flaps of the triple-deck fibreboard container. Main flaps are taken by the two outer sections, while the third flaps, both flaps. It is secured one, and has a groove into which the other slats, forming a seal and central support.

By unclipping the central section the entire container is folded flat. For delivery a storage, the folded container are interleaved and delivered in packs of 36, saving on transport costs. Serial quantities are available.

The containers are made ISO sizes, of to customer requirements. They are stated to be sufficiently strong for many trip applications.

Details from the maker, W.M. Containers, 1, Molwynn Road, London W14 5AA (01-894 8888).

We're building net profits 40% faster than we did in our record year, 1976.



Last year, IC Industries net income reached a record \$61 million, \$5.58 per common share.

After the first quarter this year, we're more than \$4 million or 40% ahead of our 1976 pace. Our per-share earnings are up nearly 60% from 51¢ to 81¢.

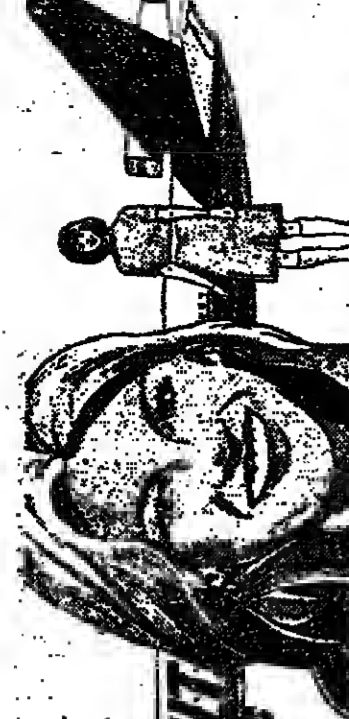
First quarter sales and revenues were a record \$421 million, a 10% increase over last year's first quarter.

To those who still think of us first as a railroad, the biggest first quarter news was that the IC Transportation Group, primarily the Illinois Central Gulf Railroad, earned

IC INDUSTRIES CONSOLIDATED STATEMENT OF INCOME compared with the same period for 1976.

(Dollars in thousands except per common share amounts)	Quarter ended March 31, 1977	1976	% Change
Sales and Revenues	\$420,991	\$382,044	+10.2
Income before taxes	23,068	16,338	+41.2
Taxes on income	8,766	6,309	+38.9
Net income	14,302	10,229	+39.8
Net Income per Common Share	\$ 81	\$ 51	+58.8

By agreement between the Financial Times and the BFC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.



Whether you travel to Africa, the Far East or Australasia, you'll probably be with our cabin staff for 3,500 miles or more. Time to appreciate their outstanding long distance international experience. Their command of at least three languages. Their 'oh-so-French' hospitality. And the Courreges uniforms that reflect their unflappable poise. You'll never ever want to go so far from home again. Contact your ABTA Travel Agent or UTA French Airlines. London: 01-629 6114. Manchester: 061-834 7891. Glasgow: 041-221 2101. In association with Air Afrique.

UTAFRIGA

LABOUR NEWS

Break in Forte leadlock possible

ALAN PIKE, LABOUR STAFF

POSSIBLE break in two of the running disputes between Birmingham offices of the sport and General Workers' union emerged yesterday after intervention of the Advisory, Conciliation and Arbitration Service. The dispute began after four hours of talks at Birmingham offices of the union and General Workers' union emerged yesterday after intervention of the Advisory, Conciliation and Arbitration Service. The dispute began after four hours of talks at Birmingham offices of the union and General Workers' union emerged yesterday after intervention of the Advisory, Conciliation and Arbitration Service. The dispute began after four hours of talks at Birmingham offices of the union and General Workers' union emerged yesterday after intervention of the Advisory, Conciliation and Arbitration Service.

Booth urges arbitration in helicopter dispute

BY OUR LABOUR STAFF

ALBERT BOOTH, Employment Secretary, yesterday urged dismissal of a helicopter pilot sides in the North Sea helicopter supply flights to all rigs. The dispute began over the dismissal of a helicopter pilot sides in the North Sea helicopter supply flights to all rigs. The dispute began over the dismissal of a helicopter pilot sides in the North Sea helicopter supply flights to all rigs.

Press peace move hitch

PEACE OF an end to the long present form would represent bitter journalists' dispute in Hampshire. The dispute began over the dismissal of a helicopter pilot sides in the North Sea helicopter supply flights to all rigs. The dispute began over the dismissal of a helicopter pilot sides in the North Sea helicopter supply flights to all rigs.

Staff move in Cup blackout row

By David Churchill, Labour Staff

A BID to prevent the threatened blackout of BBC coverage of Saturday's FA Cup Final was made last night by the Association of Broadcasting Staffs, the largest union within the BBC. The union asked Mr. Denis Howell, Sport Minister, to intervene in the dispute to prevent BBC management using legal measures to force cameramen to cover the final.

Apartheid

Such action was contrary to the considerable body of international opinion which believed South Africa should be isolated because of its apartheid policies. The letter also says that the union would take whatever industrial action was necessary to prevent the match being screened. Mr. Tony Hearn, union general secretary, has asked Mr. Howell to bring pressure to bear on the BBC to stop the screening.

Legal force

Sir Charles said in the letter that the BBC was in the business of communication and had no intention of depriving other organisations of the opportunity of watching the match. "Nor are we prepared to resort to political discrimination by cancelling the contract with South Africa." The BBC was considering issuing legal injunctions to union members forcing them to obey contracts and work normally on Saturday.

Jackson attacks advocates of pay free-for-all

BY NICK GARNETT, LABOUR STAFF, IN BOURNEMOUTH.

TRADE UNIONISTS who want a wages free-for-all in place of a third phase of pay restraint were attacked yesterday by Mr. Tom Jackson, general secretary of the Union of Post Office Workers. He said that those who argue for wage rises of 30 per cent. or more and yet were aware of the consequences were "a disgrace to the trade union movement."

He emphasised just as firmly, however, that if a third phase was to receive support from the Post Office workers it would almost certainly have to contain a whole range of features missing from the incomes policy of the past two years. In his address on the first day of the union's annual conference in Bournemouth, Mr. Jackson pleaded for a third phase of wage restraint.

Just society

The maintenance of living standards was a crucial requirement for any support the union's executive would give a third phase, said Mr. Jackson. "The Chancellor must understand that we have had enough." A wages free-for-all was the "antithesis" of a just society, argued Mr. Jackson. If trade unionists failed to support the Government in its search for a sustained economic recovery, the result would be a Conservative Government, described on Sunday by the general secretary of the 180,000-strong traditionally moderate union as an "unthinkable alternative."

Closely fought

Mr. Jackson believes privately that the pay debate, scheduled for Thursday, will be closely fought, but that in the end the 1,800 delegates will give firm support for the executive's stand on incomes policy.

Restore pay research unit call by civil servants

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT, IN SCARBOROUGH

AFRAID that they will be left behind when pay controls are lifted, Civil Service union leaders are to demand that the independent pay research unit be brought back to full strength immediately to start collecting the wages data from private industry on which civil servants' salaries are based. Mr. Bill McCall, general secretary of the Institution of Professional Civil Servants, told his union's annual conference yesterday that it was quite clear there must be free collective bargaining in 1978-79 after the Phase Three which he believes in necessary to prevent a wages explosion this autumn.

If civil servants were to see their 1974 pay agreement reworked in time for April 1, 1978, the statistics work must begin without delay, he said. Mr. McCall, now a senior figure on the Civil Service staff side, is expected to raise the question with officials in the Treasury. The 100,000-member IPCS, representing government scientists, technologists and professional men up to the highest salary levels, is expected to endorse the principle of another pay round, provided differentials and anomalies are taken into account, when conference delegates debate incomes policy today.

GLC ticket plans 'half-baked'

MR. WALTER JOHNSON, newly elected president of the 70,000-strong Transport Salaries Staffs' Association, yesterday scorned the proposals of the Tory-controlled Greater London Council to modernise the London Transport ticket system and reduce its staff by 10,000. "The scheme was half-baked," Mr. Johnson said. "Let London Transport be run by professionals, not by parish pump politicians." Mr. Johnson, Labour MP for Derby South, told the union's conference at Great Yarmouth the union would not be party to any scheme to sell rail tickets in shops to reduce staff. "Our industry has suffered a far greater run-down than could ever be justified on sound economic or social grounds. I should make it quite clear to the government that railway staff will not stand idly by and witness another drastic decimation of the railway network. Nor will they countenance any unjustified reduction in staff—it is as simple as that."

Mr. Johnson said the union would not be party to any scheme to sell rail tickets in shops to reduce staff. "Our industry has suffered a far greater run-down than could ever be justified on sound economic or social grounds. I should make it quite clear to the government that railway staff will not stand idly by and witness another drastic decimation of the railway network. Nor will they countenance any unjustified reduction in staff—it is as simple as that."

Steel jobs get £1m. aid

REDUNDANCIES in the British steel industry are to be alleviated by £1 million of aid from the European Communities Commission said yesterday. Exactly £1m. is to go towards aid for 1,325 men who have lost their jobs at Dupont Steel Works at Llanelli and Briton Ferry. Another £93,040 is to go to readaptation schemes affecting British Steel Corporation plants at Workington and Rotherham, where a total of 308 men have become redundant.



Mr. Tom Jackson, pleaded for third phase of wage restraint.

price freeze, at least until the end of the year, on letter, parcel and telephone charges. It also threw out a move to reduce telephone installation and rental charges by 20 per cent. An appeal for some form of Sunday post collections to be resumed coupled with a warning of the serious effect on the public of cutting the number of sub-post offices, were made at Edinburgh yesterday by Mr. Tom Leonard, president of the 21,000-member National Federation of Sub-Postmasters at the group's annual conference.

Your Goal-Getter

With speed, drive, sleekness, the salmon surmounts obstacles to its goal. The purposeful salmon - an energetic shipping company. Our streams - the sea lanes of worldwide trade. The speed and ability to respond fast with the right kind of service for inter-nation transportation demand. The drive that has made us one of the leading shipping companies in the world. Our goal - the customer's complete satisfaction. And the sleekness of a streamlined shipping company with a vast fleet of all types of modern vessels; containerhips, tankers, bulk carrier... on call at any time for your trade. Japan Line - the natural answer to your shipping problems from any office in our complete worldwide network.



Japan Line

Head Office: Kokusai Bldg., 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan Tel: (03) 212-8211



POST ROOM

Cinderella?

Most companies have a post room; most neglect it. Most pay a price - in cash, in wasted time and effort. How many of these questions could you honestly answer now? Every 'Yes' can be expensive. Are our people doing work the Post Office would willingly take over? Do we pay agents to do what the Post Office would help us to do for nothing? Could the post room be better organised and equipped? Are we failing to use the post room more effectively in our marketing operation here and overseas? Do we pay more postage than necessary? Do the letters I sign wait until next morning before they go? For some thought-provoking answers in all these areas - read it! There is also a film entitled "The great mail room mystery" which is available on loan. Wrap up the parcel problem. You already know, of course, that we deliver regularly and swiftly to any address in the country. But we offer many special facilities for the businessman. For example: More than 2,500 firms post over 80 million parcels a year under individually negotiated contracts. Perhaps your parcel deliveries are local rather than nationwide. Then we can probably offer next-day delivery for less than the cost of running your own vans. And you'll find us flexible on dimensions and packaging requirements. Door-to-door security. Datapost and Datapost 'D' are for people who need secure, courier-style, overnight delivery of urgent packages of any kind. International Datapost (for the conveyance of urgent business papers or documents) operates to major business centres in USA, Brazil, Netherlands, Belgium, France, Australia, Japan and Hong Kong. Stimulating Sales. Direct mail, or advertising through the post, is flexible, selective and personal. It works quickly and results can be accurately measured. It stimulates response - particularly if you use the Business Reply or Freepost services. And we help by giving a rebate on bulk mailings. Rebate can be as much as 30%! If you'd like to know more about direct mail, we have available a film, "What the others can't do," and an interesting series of free booklets. Tick the coupon to order. The one who finds the answers. Your local Postal Service Representative can give you advice on any postal service, including those mentioned above. The PSR will also tell you about special courses run by the Post Office for post room staff. Your PSR will help you to use the Postal Services in the most cost-effective way. Send the coupon below to: Jackie Willbourne, FREEPOST, Room 434, Postal Headquarters, St. Martins-le-Grand, LONDON EC1B 1HQ. No stamp needed.



Form with fields for Name, Position, Company, Address, Postcode, Tel. Includes checkboxes for various services like Datapost, Business Reply, etc.

The Post Office

APPOINTMENTS

ICL subsidiary directors named

ICL has announced that five North Sea operations and U.K. senior executives have been appointed to the Board of its main operating subsidiary, INTERNATIONAL COMPUTERS.

Mr. L. G. Cole (director, industrial and commercial division); Mr. T. D. Griffin (director, customer engineering division); Mr. E. S. Mack (director, product development group); Mr. P. W. Murphy (director, manufacturing division); and Mr. C. M. Wilson (director, international division).

The second of two Government nominees to the Board of CHRYSLER U.K. is Mr. Roy Grantham, who has been appointed secretary of the Association of Professional Executive, Clerical and Computer Staff since 1970.

Mr. P. F. W. Jay and Mr. C. N. Lowe have been appointed directors of EXCESS INSURANCE COMPANY.

Mr. W. J. A. Dacombe, an executive director of William and Glyn's Bank, has been appointed to the Board of the SIZEWELL EUROPEAN INVESTMENT TRUST.

Mr. B. F. Hayward and Mr. Anthony Longman have been appointed directors of the CROUCH GROUP, both remain directors of G. F. Crouch, the main subsidiary.

Mr. R. M. Whitehead has been appointed a director of TI MARRLAND. He retains his responsibility as general manager of the company's stainless steel department in Bolton.

Miles Redfern, the automotive company within the BTR group has made a number of changes in its Board of directors.

Mr. Peter Mansell Moulin, director of manpower of the NATIONAL COAL BOARD for the past three years, has been appointed deputy secretary to the Board.

Mr. Philip Paul, a former deputy director of public relations at the Post Office, has been appointed director of public relations to the ROYAL INSTITUTION OF CHARTERED SURVEYORS.

Mr. George Cummings, general manager of Farmac Construction's

Mr. William K. Berkovitz has joined the Board of CITY-EMER HAMMER EUROPA, as director.

Mr. J. S. W. Winton has been appointed a director of BANK LINE.

Mr. Alan West, a partner in the stockbroking firm of L. Messel, has accepted an invitation to join the Board of the CITY AND METROPOLITAN BUILDING SOCIETY.

Dr. Paul Dean has become director of the NATIONAL PHYSICAL LABORATORY. He will succeed Sir Iwan Madcock, who will shortly retire from the public service.

Mr. M. Hyams, chairman and managing director of Derwent Publications and Mr. B. G. Paver, a member of the Derwent Board and deputy managing director of Thomson Publications, have joined the Board of INFO-LINE.

Mr. Sid Taylor has been appointed managing director of TI SILENCERS, a TI Steel Tube Division company, and a member of the Steel Tube Division Advisory Board.

APPOINTMENTS

Financial Controller c.£7,000 London W1

EMI Limited is a successful, rapidly growing British Group with significant and profitable interests in the music, electronics and leisure industries.

The Group has substantial property interests throughout the UK administered by a Group Property Department based at company Headquarters in the West End of London.

As part of a planned development programme, it is now proposed to introduce new computer-based, administration and control systems to update the Group Property Register and as an aid to efficient property management.

We require a qualified accountant, almost certainly ACA, aged under 35, who, reporting to the Group Property Controller, will assume responsibility for the successful implementation of this project.

This is no job for the theoretician. What is required is a practical approach backed by strong systems experience and at least four years post-qualification experience.

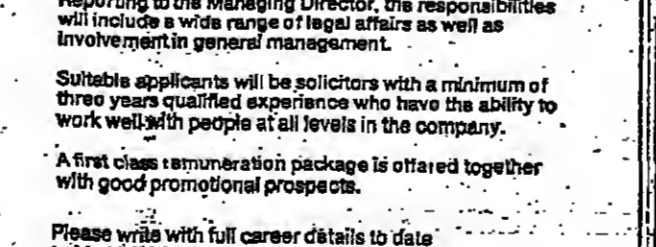
A proven record of success in setting up computer based systems, is essential and a knowledge of property matters (rent collection, revisions, etc) whilst not essential, would be a distinct asset.

Essentially, you will be a systems enthusiast, a financial executive with drive, insight and enthusiasm for identifying problem areas and finding solutions. Strong support will be provided by the Group DP capability.

For the ambitious man or woman this position provides excellent career prospects and could lead to a senior finance or line management role in an operating company either in the UK or overseas.

The company offers a starting salary of around £7,000 per annum, based on experience, together with the sort of benefits to be expected of a major British company including realistic assistance with relocation where appropriate.

If the opportunity of developing your career in a growing and successful British company interests you, write with full details of career to date to: Martin Norwood, Senior Personnel Officer, EMI Limited, 33 Duke Street, London W1A 1ES.



The international music, electronics and leisure Group.

VICE PRESIDENT - FINANCE, SOUTH AMERICA

This one hundred million dollar Chemical Company is located in a leading South American City which is known to be most exciting and cosmopolitan.

The Vice President - Finance (and Chief Financial Officer) will report directly to the Chief Executive Officer and supervise a total staff of approximately one hundred people who are responsible for General Accounting, Budgets, the entire Treasury function, Systems and Computing, Credit and Collection, Financial Analysis, Auditing, and Operations Economic Analysis.

Candidates must be mature and experienced Financial Officers and be fluent in Spanish and English.

COMPANY NOTICES

NOTICE IS HEREBY GIVEN that the 1977 Annual General Meeting of the shareholders of the company will be held at the company's registered office on Tuesday, 20th June 1977, at 11.00 a.m.

AGUSTIN THYRON-HUETTE & WILSON BANKING LIMITED DEPOSIT CERTIFICATES

NATIONAL WESTMINSTER BANK LIMITED

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

HOME CONTRACTS

Head Wrightson has £4m. plant order

HEAD WRIGHTSON PROCESS ENGINEERING is supplying a new £4m. plant to produce trinitrotoluene (TNT) to the Royal Ordnance Factories organisation for installation at BOP Bridge, Somerset.

SPERRY UNIVAC has won an order from the Abbey National Building Society for its next phase of computer equipment.

MARCONI COMMUNICATION SYSTEMS, a GEC-Marconi Electronics company, is to supply the Post Office with further pulse code modulation (PCM) systems for use in the Eastern, Northern Ireland and Scottish telecommunication regions.

MARCONI SPACE AND DEFENCE SYSTEMS is to equip HMS Invincible, a new anti-submarine cruiser, with SCOT 2 communications terminal manufactured by Marconi.

BRITISH TIMKEN has been awarded a £500,000 contract to supply the Gloucester Railway Carriage and Wagon Company with bearings to be used on wagons in East Africa.

COVENTRY CLIMAX has received a £200,000 order for fork lift trucks at the International Mechanical Handling Exhibition from E. Austin and Sons (London).

COMPANY NOTICES

BRAZILIAN INVESTMENT S.A. SOCIEDADE DE INVESTIMENTO

BRITISH-BORNEO PETROLEUM SYNDICATE LIMITED

AUSTRIAN ELECTRICITY S.S. 5% GUARANTEED BONDS 1986

FOREIGN EXCHANGE CLERK

Successful applicant will be conversant with Exchange Control regulations and be capable of arranging settlements of all aspects of overseas bargains and currency. Salary by arrangement. Pension scheme and season ticket scheme.

BANKING AND LEGAL APPOINTMENTS

Commercial Lawyer Manchester

Pifco Limited, a UK Public Company in the small electrical appliances field, seeks an energetic experienced commercial lawyer.

Reporting to the Managing Director, the responsibilities will include a wide range of legal affairs as well as involvement in general management.

Suitable applicants will be solicitors with a minimum of three years qualified experience who have the ability to work well with people at all levels in the company.

A first class remuneration package is offered together with good promotional prospects.

Please write with full career details to date to Mr. M. Webber, Pifco Limited, Fallowfield, Manchester M14 6HS.

Assistant Chief Dealer

An expanding international consortium bank in the City is seeking an experienced foreign exchange dealer to act as deputy to their Chief Dealer.

CONTRACTS AND TENDERS

D. B. DENIZ NAKIYATI T.A.S. D. B. TURKISH CARGO LINES

Notice for expression of interest for purchase of second hand vessels and charter of Turkish built (TUBRO) vessels.

The Government of Turkey and the Agricultural Bank of Turkey have respectively received a loan/credit and a loan in foreign convertible currencies to US\$5,300,000 from the International Bank for Reconstruction and Development (IBRD/International Development Association (IDA) and (IBRD) respectively.

Payment will be made only upon approval by the IBRD and IDA in accordance with the terms and conditions of the loan/credit agreement and will be subject in all respects to the terms and conditions of these agreements.

Turkish Cargo Lines is interested in purchasing terminal tractors, roll trailers (20ft and 40ft), fork-lifts (lift-trucks), capable to transport and store 20ft and 40ft containers at the terminal area.

Head Office: D.B. Turkish Cargo Lines, Mecidiyeköy Cad. 93-95-97, Istanbul, Turkey.

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

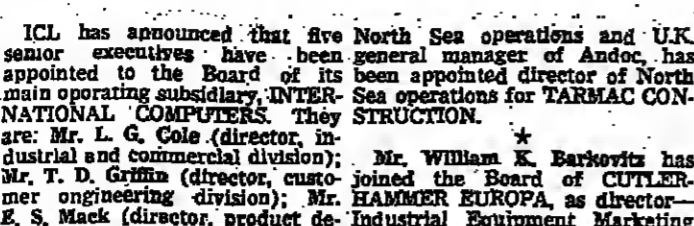
ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA

ROYAL BANK OF CANADA



UTA are the Africa specialists, with 33 scheduled departures weekly. Abidjan, Accra, Bamako, Bangui, Brazzaville, Conakry, Cotonou, Dakar, Douala, Freetown, Johannesburg, Kinshasa, Lagos, Libreville, Lome, Luanda, Lusaka, Monrovia, N'Djamena, Niamey, Nouadhibou, Ouagadougou, Tripoli.

Yes, UTA fly to places other airlines have never heard of. Contact your ABTA Travel Agent or UTA French Airlines. London: 01-629 6114, Lagos: 061-834 7891, Manchester: 041-221 2101, Glasgow: 041-221 2101.

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

UTA - The long distance French Airline

The Management Page

John Brown's body bounces back to better health

widely-diversified engineering group with almost no central control, and an erratic profits record, has been injected with outside executive talent, tight financial controls, and a new sense of direction. Kenneth Gooding reports



Mr. John Mayhew-Sanders, the new chief executive at John Brown, has engineered a rapid revival. But its timing may stimulate, rather than discourage, interest from potential bidders.

IN BROWN and Company, John Mayhew-Sanders. He has of Britain's best-known engineering companies, certainly exasperated its shareholders over the past year. Its poor profit record, return on capital and productivity to consume capital in the 1970s progressed, saw the institutional investors becoming more and more restive. He institutions, accounting for them for about 47 per cent of the John Brown issued shares, were worried to some extent about the way the group's financial results yo-yoed alarmingly so that a £2m. pre-tax loss in 1976 bounced back to £5m. profit in 1977 and then alumped £458,000 profit in 1975. But what they found particularly disturbing was the way the Board seemed to have an idea that disaster—or the reverse—was about to strike at the last possible moment. In the last 15 months, however, there have been major changes at John Brown. There has been the appointment of a new chief executive. Profits the financial year just ended forecast to show a sharp up from £1.7m. to £10m. And the group's stock market rating is high. It has been achieved in remarkably short time and out of many Boardroom or upheavals. There was even a formal approach by institutions although, in the words of one of their representatives, "we were in the ground, letting the sectors know that we were satisfied with performance." John Brown seems to have primarily on getting John at least one stroke of good luck. It happened to stumble on the right man at the right time. The job of chief executive of an operating company, you

must concentrate on financial control. The fundamental requirement is for good financial planning and control," he maintains. Certainly John Brown's interests are fairly diverse, taking in machine tools, process engineering and construction, gas turbines and specialist fabrication, as well as a range of general engineering and miscellaneous activities, including commercial vehicle bodies and water turbines. Two of the main operating subsidiaries have been through major managerial changes as part of the revitalisation process. One was Constructors John Brown, "a company which was on a very loose rein but which could produce a volatile performance," according to Mr. Mayhew-Sanders. The method of management has been changed, too, and the centre now provides strong guidelines. "It was easy enough to do, just a switch to good, conventional management style. John Brown was basically a sound company with potential but it needed some group central planning." The other changes have been made at John Brown (Engineering), a company which had to be rebuilt out of the wreckage of the worldwide collapse in shipbuilding. For some time JBE has had a licence from General Electric of the U.S. to make gas turbines but, according to Mr. Mayhew-Sanders, it took some time for the company to wake up to the fact it had a big new business on its hands and that was where its main efforts should be concentrated. Industrial gas turbines are a growth market, particularly those for the oil and gas extraction industries. Mr. Mayhew-Sanders reckons

of the John Brown group but this is not really so. The return on capital it makes is not enough. The consistency of Wickman is an attraction—it has never suffered a trading loss. And we could say that the size is attractive in itself. But it just isn't when related to the capital employed in achieving its profit." There is about £18m. of capital tied up in Wickman and the expectation is that with some management and policy changes the company can produce satisfactory profits. But this does not mean that Wickman will quit manufacture and concentrate on selling of machine tools, which has proved to be a highly profitable switch for many other companies. "If we are in machine tools we are going to be designers and manufacturers of high quality machine tools. We've got facilities, highly skilled people, fine products, a record of powerful marketing and we know more about machine tools than most other U.K. manufacturers." Day-to-day running of the John Brown group is now in the hands of a management board which began operating only in January this year. This board is headed by Mr. Mayhew-Sanders and consists of two finance men—Mr. Jim Smith, who has responsibility for the banking-corporate finance functions, and Mr. Alan Gornly, responsible for the new function (for John Brown) of financial planning and control—and the two machine tool division directors on the main John Brown Board, Mr. Hugh Morris and Mr. George Trowbridge. These last two are the only executive directors from the

operating companies on the main Board. Like all chief executives, Mr. Mayhew-Sanders has his own shopping list of companies the group might buy. The idea is that John Brown might buy or sell as a way of levelling out the way in which the cycle of demand still tends to hit most of its activities at the same time. One obvious potential disposal would be of the group's 18 per cent holding in Westland Aircraft, currently worth around £6m. But Mr. Mayhew-Sanders insists: "It is unlikely that John Brown would sell its Westland shares just for some cash. On the other hand it might do so to invest in something else." Volatile He suggests that one aspect of John Brown is that it should be able to produce, say, £35m. of annual profit in a few years time and that there should be steady, not volatile, progress towards that target. The John Brown recovery seems to be at just about the stage when predators might be tempted to step in with a bid. The latest balance sheet showed assets worth about £2.25 a share after depreciation was needed to make it go

Autonomy

For many years John Brown had probably taken the concept of decentralisation and the autonomy of individual operating companies one or two steps too far. For example, it seemed to the City that the main Board was caught completely off-guard by a £4.9m. loss by Constructors John Brown, the process plant subsidiary, in 1975. In January of that year, at the time a maintained dividend was paid, no hint of possible future trouble was given. And it was that setback which crushed the group profits to £458,000 for the year which apparently led the Board to decide it was time to promote Mr. Mayhew-Sanders. He might, one supposes, still be moving about the group with no specific job to do if the CJB disaster had not occurred. In his first year as chief executive, he concentrated on getting John Brown's financial system into proper shape. "When you have right man at the right time a group like we have instead of the job of chief executive of an operating company, you

'Jewel'

While dealing with the big changes at JBE and CJB, Mr. Mayhew-Sanders has concentrated a great deal of his attention during the past 13 months on the machine tool division. The principal companies are Wickman, which accounts for about three quarters of the division's output, and Webster and Bennett. "Wickman has been called the great jewel in the crown

A new approach to Treasury controls

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

TREASURY last month and specialist, technical information system for Government covering more than £350m. through many thousands of leading points. The general background and objectives of the project were discussed in an article on this site in the increasing integration of the public sector work of the regular monitoring.

through a single and internally consistent flow of figures, of expenditure against the annual White Paper expenditure survey plans, Parliamentary Estimates and cash limits. The way these objectives were fulfilled is set out by two of the civil servants most directly concerned, Mr. Robin Butler and Dr. K. Aldred, in an article in the May issue of the journal "Management Services in Government", published by the Civil Service Department. It is of course too early to draw any conclusions on the success of the system as such, but the authors do draw attention to the main principles on which the project was founded: the value of operational research, coupled with the management accountability approach in analysing tasks and designing a system; the need to design a system which meets operational needs recognised by all those participating in as simple and economical a way as possible, ensuring the willing support and co-operation of those concerned with modifying the varied systems in departments. Mr. Butler and Dr. Aldred also emphasise the need to allow adequate time for implementation, so that the design of the system can be cleared at each stage with users and those providing data can develop and try out methods of doing so. Work has also been aided by the fact that the staff involved with implementation were also generally concerned at the formative stage. Moreover, the authors argue that if consultants are to be employed and the client is to have a choice of more than one consultant, it is helpful to introduce representatives of more than one firm to the project early on. Finally, they note, they had "back-up" good management to undertake the project at a time when political and economic currents are flowing in its favour: there was no better time to introduce a project for the close monitoring of departments' expenditure than when cash limits were being introduced.

were brought in after a competitive tender. The keynote throughout was co-operation and persuasion: Whitehall after all consists of a series of semi-autonomous heros rather than a dictatorship. This involved lengthy discussions and consultation as well as seminars, dry-runs and a pilot project with the Home Office. The gaps in the Treasury's information system in the early 1970s—principally the existence of four different and insufficiently co-ordinated systems of control, monitoring and forecasting—were quickly identified in outline in an assessment in early 1974. At the same time, computerised accounting and information systems in individual departments were being steadily introduced and the need for co-ordination between these projects and central monitoring became apparent from the start.

Ingredients

The result was a decision in spring 1974 to establish a more detailed study, jointly run by the Treasury and Civil Service Department. The ingredients of the team then remained the same throughout the project with operational research, scientists, management accountants, outside management consultants, and a representative of the Government Central Computing Agency, with support from Treasury administrative staff. The report of this group led to the establishment in 1975 of an implementation team, also reflecting a mix of disciplines. The leader was Mr. Butler, with a general administrative background (in itself, of course, highly professional), who was one of the private secretaries to the Prime Minister. He worked in conjunction with Dr. Aldred, a Senior Principal Scientific Officer while outside management consultants, Arthur Andersen and Company,

Tracking the accountants

NEW EVIDENCE of the generalist tradition in Whitehall, if it was needed, is contained in another article in the journal. Writing on "Financial Management in the Civil Service—the role of accountants," Mr. K. J. Sharp, reveals that there are only 900 accountants in the Service. Why not more? The answer may be that the Service does not need any more, that the nature of the work is not suited to accountancy techniques, says Mr. Sharp. But he immediately counters with the comment that most accountants would not accept this: they do not consider themselves a specialist group to be called upon to solve, in only an isolated context, problems which have defeated the understanding of others. Rather than arguing for a large influx of accountants into Whitehall, Mr. Sharp advocates a better understanding of the contribution which accountants can make. Equally apt, he says, is the question of why they play such a small part compared with the extent to which they are used in industry and commerce.

Shouldn't a conference organiser enjoy his own conference?

Of course he should. That's why we make sure conferences at the Skyline run like a dream. 8,246 sq ft (765 sq m.) of conference area can be divided to suit your needs precisely. We've every audio-visual aid imaginable. Let's discuss which you'll want. All products up to an average elephant will fit through all our doors, no problem. And we'll help you plan for any group up to 500, in luxurious rooms with colour TV. (Or smaller meetings in our swish private suites. They often make difficult decisions easier to take.) But men cannot live by efficient conferences alone. So at the Skyline we've plenty of places to unwind in. Like Diamond Lil's, our authentic Klondike saloon bar. A lively, gregarious place. Like our Colony Room for quieter dining, where the menu's as wide as a gourmet's imagination. Like our indoor tropical pool. While energetic souls swim in it, staid folk can sit and drink, admiring the giant palms. Our charming Café Jardin is open day and night. We've 24-hour room service too. A conference at the Skyline is one that everybody will enjoy, and remember. Ring for our latest details on 01-759 2535 (Freefone 2083). Or write to us: Skyline Hotel, Heathrow, Bath Road, Middx UB3 5BP.



The Skyline, Heathrow.
Where Heathrow really comes alive.

TAX PLANNING for the FAMILY CONTROLLED COMPANY

A one day seminar for directors, shareholders and advisers dealing with:

1. Why form a company
2. Close company problems and solutions
3. Retaining profits at the expense of the Inland Revenue
4. Pensions
5. Capital Transfer Tax

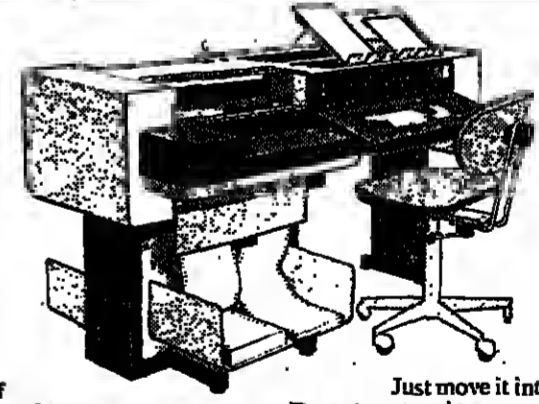
To be held at the Hyde Park Hotel on Thursday 2 June 1977
Details from: Mrs. J. Hawkins - 01 868 4422
Organised by ASSOCIATED BUSINESS PROGRAMMES LIMITED an AGB Research Group company

Management Consulting

A Guide to the Profession
The growing importance of consultancy, the substantial differences in approach and execution between management consulting and management practice, and the lack of formal training facilities for new consultants have created an urgent and widely felt need for a practical guide to the profession. Unique in its field as a guide and textbook, this volume covers work methods, behavioural aspects of change implementation, design and control of consulting assignments, organisation of consulting units, training programmes for consultants and ethical considerations—a standard work on the subject of the company. Informative... (The Training Officer) 378 pages. 2nd imp. 1977. ISBN 0-216-1465-8 £10.00
International Labour Office
87/91 NEW BOND ST. LONDON W1Y 6LA. Tel: 01-499 2284

We can't afford a computer!

Yes you can, say KIENZLE



Sooner or later you will decide to switch your accounting to a computer. With staff costs the way they are, the sooner the better! If you decide to buy a Kienzle outright, the total cost is under £11,000 or on a five year rental contract, £59 a week. The Kienzle 2000 Office Computer comes complete with systems covering Invoicing; Sales; Purchase and Nominal Ledgers; Stock Control; Payroll and business management figures. These systems are developed to suit your company and are actually demonstrated to you before you place your order!

Simple to Install
The Kienzle 2000 is an office computer. Just move it into your Accounts Department and away you go.

Easy to Use
We will soon show your staff how to use your Kienzle. Two months from now it could be running in your office with the minimum of upheaval.

Seeing is believing
Visit some of our users and see for yourself just how a Kienzle works for them. You will be under no obligation. Just give us a call or use the coupon.

Kienzle Data Systems Ltd, 224 Bath Road, Slough SL1 4DS. Telephone: Slough 33355 Telex: 848335 Kienzledata

Branches also at Birmingham, Bristol, Manchester, and Washington.

My name is _____ My position is _____ Just cut out and slip it to your company letter head or post it to us today! FT39

NEW CONFERENCE CENTRE IN MONTE-CARLO

OPENING AUTUMN 1978
CAPACITY 2000 · MAIN HALL, 1300 · MEETING ROOMS AND OFFICES. LARGE EXHIBITION AREA. EVERY MODERN CONFERENCE FACILITY. For information and literature, write or telephone: MONACO INFORMATION CENTRE, 34 Sackville Street, London W1X 1DB, telephone (01) 437-3660

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS

Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC6P 4BY Telephone Day & Night 01-245 6000. Telegrams: Financial Times, London. Telex: Editorial 888341/2, 883397 - Advertising: 885433

TUESDAY, MAY 17, 1977

Nuclear decisions

THE MEETING of nuclear experts and critics which took place last weekend under the chairmanship of Mr. Anthony Wedgwood Benn, Energy Secretary, achieved one useful purpose; it reinforced the need for early decisions on the future direction of Britain's nuclear power programme.

There is a case for taking a PWR licence—a course which was strenuously urged by GEC and by the CEBG in 1974. It would take several years before the industry was in a position to export the system and it is possible that by then the established suppliers would have tied up much of the market. But at least the adoption of the PWR would enable the British plant suppliers to participate more fully in the nuclear export business, in components if not in complete power stations. Such an abandonment of the AGR system, since a substantial number of AGR stations would continue in service in the U.K.

Exportable Whatever happens on Brax B, it is likely that when the CEBG starts regular ordering again in 1979-80 the bulk of its requirement will be for nuclear stations. Thus the first of the three decisions which have to be made is on the type of thermal reactor to be used. With the virtual abandonment of the British-designed "steam" reactor, the choice is between continuing with the AGR (Advanced Gas-cooled Reactor), used in the second generation of nuclear power stations now coming into service, and switching to the American-designed PWR (Pressurised Water Reactor), which is the most widely used system throughout the world.

The choice is not easy. The two AGR stations which have been completed (after long delays in construction) are performing well and producing electricity cheaply. But there is no export demand for the system, except in the hypothetical event of some major disaster to one or more PWR stations, which might lead to a search for alternatives. The power plant industry, short of home orders and urgently needing to expand its share of overseas markets, must have an exportable nuclear system if it is to compete effectively. As far as the PWR is concerned, the choice is between the American and the French designs. The American design is more advanced, but it is more expensive and more difficult to build.

A cautious toe in the water

THE ANNOUNCEMENT, at the end of this month, of an actual floating-rate Government bond, to be issued at the end of this month, is most welcome. The authorities have opened, however cautiously, a door which could enable them to escape from the successive crises of funding and money management which have punctuated financial life ever since the public sector borrowing requirement became so large in relation to the national income and the money supply. However, the question of whether it will in fact provide such an escape cannot be answered at this stage. It depends on how the new instrument is handled.

Higher return Floating rate bonds can be assessed from three different points of view. For a certain class of investor, who has to hold substantial sums in a form which can be turned into cash with a limited risk of a capital loss, such bonds offer a higher return than is available from short-term money-market instruments, in return for a limited but appreciable risk about realisable capital value. The new Government bond, with interest payable six monthly at a margin over the previous six months' average Treasury Bill yield, could clearly fall out of line for a time when interest rates are changing rapidly, leading to a premium when they are falling and a discount when they are rising, as has already been seen with the existing GEC floating-rate bond, so that a building society Treasurer, for example, will want greater liquidity for a sizeable proportion of his reserves; but there should still be a useful demand from potential long-term holders.

This long-term market is not only of interest to the Government; other industrial borrowers may at some stage wish to follow the GEC

Ostrich-like, the western world has ignored the doomwatchers who have predicted that we will run out of hydrocarbons in our lifetime. A new report underlines the possibility that the world could be short of oil within the next five years.

RAY DAFTER and DAVID FISHLOCK report.

The energy gap draws closer

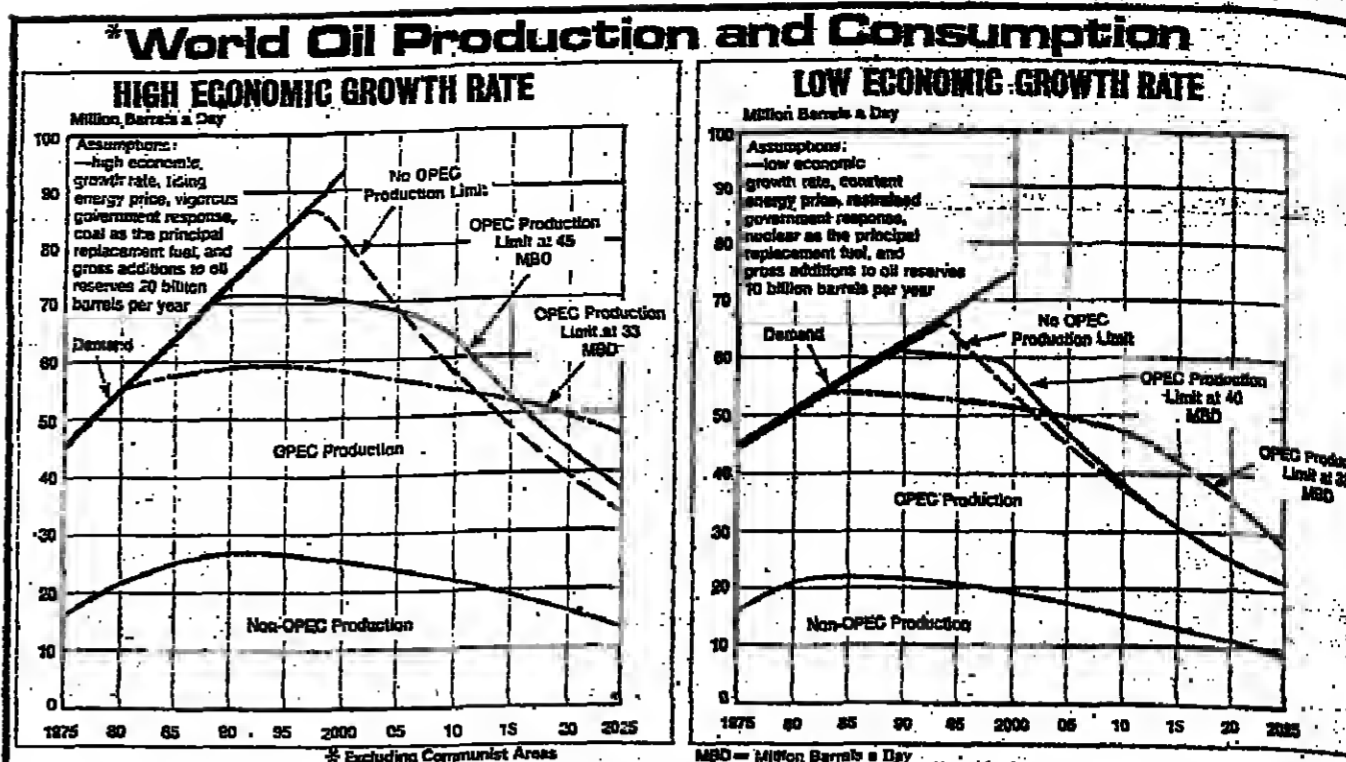
IN RECENT months several major reports on world energy supplies have emphasised the need to restrain oil consumption. Their messages have been the same: nations are not only running out of oil reserves, but also running out of time in which to cater for their future energy needs.

So loud have been the warnings that there "must be a danger that we will clap our hands over our ears and hope the problem will go away. After all, since the turn of the century pundits have been saying that the world will run out of oil within the following 30 years. The latest report* published yesterday puts the prospect succinctly: "The end of the era of growth in oil production is probably at the most only 15 years away." The non-Communist world could face the prospect of an oil shortage as early as 1981-1983.

This is strong stuff, coming as it does from businessmen (including oil industry men), planners and academics in 15 countries pulled together in a Workshop on "Alternative Energy Strategies. But their conclusions are broadly in line with those contained in the World Energy Outlook report by the Organisation for Economic Co-operation and Development, and in the report prepared for President Carter by the Central Intelligence Agency.

The Workshop concludes in its 291-page report that there is a danger in the world energy situation becoming critical before it seems serious. Most governments and businesses made planning projections only five to 10 years ahead. Consequently, energy gaps that opened up beyond 1985 were invisible or, if perceived, often turned aside with the explanation of 6 per cent a year. Two assumptions were made for the rate of gross additions to free oil reserves: a high rate of 20bn. barrels a year and a low rate of 10bn. barrels annually, as against an historical natural gas production should rate of 18bn. barrels a year.

That must be the inherent danger in Britain where North Sea oil should provide a cushion of energy self-sufficiency through the 1980s and domestic natural gas production should rate of 18bn. barrels a year.



World Oil Production and Consumption. HIGH ECONOMIC GROWTH RATE. LOW ECONOMIC GROWTH RATE. Million Barrels a Day. Excluding Communist Areas. MBD = Million Barrels a Day.

Taking the most optimistic line production could continue to meet demand until the year 2004. This assumes a low economic growth rate—a situation which could lead to other problems like continuing high unemployment—the discovery of much more oil and no limitation on OPEC production. On the other hand if the world enjoys a high growth rate and OPEC decides to limit its production to 33m. barrels a day, non-Communist countries could find themselves running short of oil in the early 1980s.

Such a level of production in OPEC would require a high degree of restraint on the part of its members. For in its World Energy Outlook report the OECD reckons that in 1985, given present energy policies, OPEC production should be almost 40m. b/d. The Central Intelligence Agency went further, forecasting that world demand for OPEC oil would be 47m.-51m. b/d by 1985. This would imply Saudi Arabian output of 19m. to 23m. b/d which is about twice its current production.

The Workshop also recognises the influence of Saudi Arabia. But simply if Saudi Arabia were to cap its production at the present level world oil supply would fall to meet the desired demand within just four years.

Either way the timescale is short. And ominously the Workshop has discounted the influence of the Communist world. It felt that Russia and China, both big "energy" producers, would remain basically self-sufficient. If Russia does become a significant importer, as the CIA has suggested, then the supply and demand equation could look even gloomier.

And it appears that there is no point in the world looking towards natural gas: to fill the energy gap. According to the Workshop, by the year 2000 natural gas production in the major consuming countries will probably decline to about two-thirds of the 1972 level. Countries, like the U.S., that are now large users of gas face "dim-

cult economic and political tradeoffs if they are to continue to meet demand over the next 25 years," the report states. North America, Western Europe and Japan might require total gas imports of 3.4m. barrels a day of oil equivalent by the year 2000. The resources would be available to meet these demands for a time, thanks to reserves in OPEC countries and in Russia. But the costs and risks of imported gas will have to be compared with those involving the development of other fuels or energy sources.

Thus the Workshop reaches the blunt conclusion that "the change from a world economy dominated by oil must start now." But change to what? For as it points out the alternatives need five to 15 years to develop and the urgency of demand for replacement fuels will increase rapidly during the 1990s.

The most obvious path for nations to try is energy conservation which "may well be the very best of the alternative energy choices available." For example, it forecasts that by 2000 cars may average twice today's mileage per gallon. Buildings may cut their energy demands by a third more. But even technologically, fairly simple measures of this kind cannot be implemented quickly. The Workshop acknowledges that it would take at least a decade to change the stock of cars, two to three decades to change most industrial equipment, a century or more to change a nation's housing stock.

More adventurous schemes for conservation using benign and renewable energy sources are largely dismissed as unlikely in global terms to make any significant difference during this century. The various solar technologies, except for water and space heating, still look unattractive economically, with uncertain operating and maintenance costs, and difficult problems of energy storage yet to be solved. Coal, however, is plentiful.

The study puts economically-recoverable world reserves at the equivalent of 3,000bn. barrels of oil and potential reserves at possibly four times this figure. The question is whether nations, such as the U.S., possessing this "dirty, awkward stuff" will want to win it. Others will want to consume it on the scale demanded by the decline of oil production. The study talks of a "national distaste" for coal, in contrast to the "national preference" for oil which has precipitated the looming energy gap.

Stage one is thermal reprocessing involving a single of the uranium fuel, with reprocessing and recycling the unburnt uranium or the plutonium by-product. Stage two is the reprocessing of spent fuel to extract and cycle uranium and plutonium. Stage three is the use of broader reactors to make more efficient use of the recycled plutonium and uranium. In the opinion of the Workshop, much of the nuclear energy now centres on stage two and three, with very little concern attaching to stage one. But it finds hold-up with stage one projects because of unresolved questions concerning the other two stages. Separation of these stages, choice could clarify issues which might allow nuclear power construction to continue. But there is also a serious risk for such a nation as Britain, lacking indigenous uranium, in accepting that the three separate stages of fuel cycle, with fuel flow shortly from thermal reactors by way of reprocessing into breeder reactors. By inviting nuclear energy's opponents, focus their efforts on the breeder reactor, nations find that the technology most need of sustained effort has in fact been handicapped to disastrous degree.

*Energy: global prospects 1985-2000, Report of the Workshop on Alternative Energy Strategies (WAES). Published by McGraw-Hill, £8.75.

Vital price factor

In principle, the Workshop finds, coal production in the non-Communist world could expand three-fold by the year 2000, with half of the output from North America. In practice, it acknowledges that it must call for "major and early" investments in mines, in coal handling equipment, in new transport systems, in new systems to use the coal either as fuel or as feedstock for substitute petroleum fuels. The big question, given all this investment, plus the cost of preventing excessive air pollution, is whether coal's price in the market will still be sufficiently below that of competing fuels to encourage its use.

Thus the Workshop is driven—as was President Carter in his U.S. energy policy—to the view that nuclear energy is needed, and in a big way. It attempts "maximum likely" and "minimum likely" projections of future installed nuclear capacity to the year 2000, with the latter requiring an annual growth rate of 11 per cent, and the former a formidable 14 per cent for 25 years. Given such rates of expansion, the team estimates that nuclear energy could provide as much as 21 per cent of the world's primary energy—equivalent to 45m. b/d—by the year 2000.

As for the technical feasibility of such an expansion, it finds this realistic in terms of uranium

Growth rates

How much time will depend on economic growth rates over the next 20 years or so, on how quickly "major" consumers can implement new energy and conservation measures, on how much oil will be found and on how OPEC producers adjust the flow valves on crude exports. On the first point the Workshop has based its calculations on growth rates ranging from a low of 3.5 per cent to a high of 6 per cent a year. Two assumptions were made for the rate of gross additions to free oil reserves: a high rate of 20bn. barrels a year and a low rate of 10bn. barrels annually, as against an historical natural gas production should rate of 18bn. barrels a year.

MEN AND MATTERS

Red faces in Bonn Every year the West German Auditing Office, the equivalent of Britain's Comptroller and Auditor General's department in reports on the latest annual efficiency and timeliness of the Federal Government spent DM 4.2bn. less than it budgeted for. Next year it proposes to raise VAT by two per cent to balance the budget—predictably, the German taxpayer is saying that if waste were cut it would not be needed. I seem to have heard these plaintive cries before.

Emotional No Western European connecting roads were joined on newspaper troubles. Staff at employed at a cost of DM 50,000 a year to retract it for Dutch financial daily Het, the ships that occasionally Financieel Dagblad (with a circulation of 22,000, each copy being read, it is claimed, by about four thrifty Dutch businessmen) has surprised its customers by actually failing to appear one morning. The first such incident in 32 years.

Credit race The City's competitive instincts erupt in odd ways. Consider the fairly recalcitrant business of export finance. The Government, as part of the general attempt to prune expenditure, has directed that export credits should now be financed in currencies other than sterling. This has led to a scramble among banking houses involved to get signed and sealed the Grindlay Brands and Morgan Grenfell trying for the lead.

Past glory Extract from a recent civil service circular: "Leaflet WP25 Britain's Great Leap Forward The above leaflet is now obsolete." Observer



"Absolutely true—it was a total shambles!"

IF YOU KNEW MAIBL.

You would know the first international bank of its kind. MAIBL stands for Midland and International Banks Limited, the first major consortium bank of its kind, whose members have aggregate resources of over £26,000 million.

Our ability to provide large loans for use throughout the world is complemented by an organisation geared to speed, efficiency and personal service. When you deal with MAIBL your business will always be handled by experts who will tailor the financial package to suit your particular need. This may be the provision of working capital, project financing, leasing or restructuring debt. Why not find out for yourself about MAIBL, the first international bank of its kind?

MIDLAND AND INTERNATIONAL BANKS LIMITED 26 Throgmorton Street, London EC2N 2AH Tel: 01-48 0771 Telex: 884415 Registered in England. Member banks: Midland Bank Limited, The Commercial Bank of Australia Limited, The Hongkong & Shanghai Banking Corporation Limited, The Chartered Bank Limited, The National Australia Bank Limited, The Overseas-Chinese Banking Corporation Limited, The Union Bank of India Limited, The Union Bank of Canada Limited, The Bank of Montreal Limited, The Bank of New York and Canada Limited, The Bank of Tokyo-Mitsubishi Limited, The Industrial Bank of Japan Limited, The Industrial Bank of Korea Limited, The Industrial Bank of France Limited, The Industrial Bank of Germany Limited, The Industrial Bank of Italy Limited, The Industrial Bank of Spain Limited, The Industrial Bank of the Netherlands Limited, The Industrial Bank of Belgium Limited, The Industrial Bank of Switzerland Limited, The Industrial Bank of Austria Limited, The Industrial Bank of Sweden Limited, The Industrial Bank of Denmark Limited, The Industrial Bank of Norway Limited, The Industrial Bank of Finland Limited, The Industrial Bank of Greece Limited, The Industrial Bank of Turkey Limited, The Industrial Bank of Iran Limited, The Industrial Bank of Pakistan Limited, The Industrial Bank of India Limited, The Industrial Bank of Ceylon Limited, The Industrial Bank of Singapore Limited, The Industrial Bank of Malaysia Limited, The Industrial Bank of Indonesia Limited, The Industrial Bank of the Philippines Limited, The Industrial Bank of Thailand Limited, The Industrial Bank of Vietnam Limited, The Industrial Bank of Cambodia Limited, The Industrial Bank of Laos Limited, The Industrial Bank of Burma Limited, The Industrial Bank of Sri Lanka Limited, The Industrial Bank of Maldives Limited, The Industrial Bank of Brunei Limited, The Industrial Bank of East Timor Limited, The Industrial Bank of Timor-Leste Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The Industrial Bank of Mauritius Limited, The Industrial Bank of Seychelles Limited, The Industrial Bank of Comoros Limited, The Industrial Bank of Djibouti Limited, The Industrial Bank of Eritrea Limited, The Industrial Bank of Ethiopia Limited, The Industrial Bank of Kenya Limited, The Industrial Bank of Uganda Limited, The Industrial Bank of Rwanda Limited, The Industrial Bank of Burundi Limited, The Industrial Bank of Tanzania Limited, The Industrial Bank of Zambia Limited, The Industrial Bank of Malawi Limited, The Industrial Bank of Mozambique Limited, The Industrial Bank of Zimbabwe Limited, The Industrial Bank of Botswana Limited, The Industrial Bank of Namibia Limited, The Industrial Bank of South Africa Limited, The Industrial Bank of Lesotho Limited, The Industrial Bank of Swaziland Limited, The Industrial Bank of Madagascar Limited, The

Norway

Like Britain, Norway has found new energy sources and wealth in North Sea oil and gas. Unlike Britain, however, Norway is suddenly faced with a superabundance of energy for export.

BASIC STATISTICS	
Area	118,314 sq. miles
Population	4.0m.
GNP	Kr.146bn.
Per capita	Kr.36,416
Trade (1975)	
Imports	Kr.56.6bn.
Exports	Kr.37.5bn.
Imports from U.K.	£391m.
Exports to U.K.	£593m.
Trade (1976)	
Imports from U.K.	£474m.
Exports to U.K.	£623m.
Currency: Krone £1=Kr.9.08	

There have been some drawbacks, notably the unexpectedly swift increase in the payments deficit and the high cost levels which are hampering traditional Norwegian industry on export markets and easing the way for competitive imports. But the government is aware of these problems and would certainly deal with them more decisively after the September general election, if it manages to remain in office. There is no feeling that the economy is out of control.

The oil has stimulated Norwegian agitation over their life-styles and over values. Many, including a large group of young people, are questioning the direction in which their country appears to be heading. Many more fear disruption of a way of life which was prosperous even before the oil was discovered, but at the same time still had room for rural virtues. The Labour Government was well aware of this sentiment when it plumped for a slow pace of development offshore.

The success of the "the future in our hands" movement founded by Professor Eric Damman illustrates the heart-searching of at least a significant minority of Norwegians. Some 15,000 of them now support his appeal for a reduction in consumption and a simpler life-style, based on conserving energy and protecting the ecology. He has suggested that the oil revenue be given away as foreign aid, a proposal echoed in private by one of Norway's business leaders, whose motives were less idealistic—he thought there would be too many problems in absorbing and disposing of the oil money in other ways. A real cleft exists in Norway between what may be called

in over-simplified form, the fishing and oil lobbies. There are only 32,000 whole or part-time fishermen but when they complain about the threat to their fish stocks from oil pollution, they raise an echo in many an urban Norwegian's heart. The government has long hesitated to open up north Norwegian waters for exploration and after last month's blow-out on the Bravo platform immediately withdrew plans to start drilling there next year.

One of the most keenly debated issues at the Labour Party conference last week was whether or not a hydro-electric project on two Hardanger mountain rivers should be approved. There was strong support for the view that the country's "natural resources" had to be protected. Such opinions carry weight and influence Labour Party policy. In the wider perspective the "green wave," which embraces many environmental and life-style attitudes, is a source of real concern for industrialists.

Both the Centre Party and the Christian People's Party have just changed leaders. The latter have brought back Mr. Lars Korvald, a former Prime Minister who has popular support outside his own party, but the Centre Party has emerged from a bitter, internal struggle with a young, relatively untried chairman, Mr. Gunnar Staalslett, who has little time before the election to establish his authority. A substantial faction within his party is opposed to co-operation with the Conservatives, the largest of the opposition parties.

The three differ on a number of issues including taxes, land ownership, abortion and energy, which covers both oil policy and the development of unexploited hydro-electric resources. Oil policy will be a major electoral issue and offers one of several parallels with last year's Swedish general election, in which the three non-Socialist parties succeeded in evicting the Social Democrat Government but have since not been able to resolve their differences over nuclear energy.

Accepted

It is also an incalculable factor in the September general election because it cuts across party lines. It has been generally accepted that this general election would be unusually decisive because the winning political combination, with the rising flow of oil money at its disposal, should be able to count on at least two four-year periods in office.

This assumption now seems more questionable partly because of these new waves of opinion which threaten to overtake accepted party doctrines and partly because the delays in offshore development, the

heavy foreign debt and the aftermath of the international recession may require a tighter and less popular management of the economy in the immediate future.

The election at any rate promises to be an exciting, close-run affair. The Labour Party at present holds only 62 of the 165 Storting (Parliament) seats but has been able to govern because the left-wing Socialist Alliance took 16 seats at the 1973 election, preventing the non-Socialists from achieving a majority. Since then the Left socialists have split and dropped with a thump in the opinion polls.

The Labour Party has got fresh wind in its sails since the 1975 change in leadership which made Mr. Odvar Nordli Prime Minister and Mr. Reulf Steen party chairman. Dividing these two posts was the result of a compromise between the two wings of the party. So far the radical Mr. Reulf Steen and the middle-road Mr. Nordli have run fairly well in harness and the Party's poll ratings have made a remarkable recovery from a nadir of 22 per cent. in 1975 to 44 per cent., bringing it within sight of its objective of an overall majority. The Party has certainly regained votes from the Left socialists and probably also from the anti-tax party which won four mandates at the last election but is now unlikely to retain any of them.

The swag is that the current polls are suspect because of quarrels among the pollsters. Moreover, it is not yet clear how public opinion is going to react to the revelation that the Finance Minister, Mr. Per Kleppe, along with other ministers has made use of a free travel card issued to him by Scandinavian Airlines System.

As the economic mastermind alongside the responsible, fatherly Mr. Nordli and the youthful progressive Mr. Steen, Mr. Kleppe is a central figure in the Party's electoral image.

Two years ago the three opposition parties seemed to be well set to oust the Labour Party. Now they have a fight on their hands. The Conservatives, Centre Party and Christian People's Party have announced that they will form a coalition government, if they come out of the election with a combined majority, but they have not presented a common programme.

Relations with the Russians are at present in a state of limbo after the Norwegians expelled six Soviet diplomats and citizens in January, following the arrest of a woman official in the Norwegian Foreign Ministry on charges of spying for the Russians since the 1950s. The Russians have declined to round off the negotiations over the division of the fish stocks in the Barents Sea, on which agreement had been almost reached at the beginning of the year.

Talks on the Barents Sea median line, which the Russians are claiming should be drawn farther to the west than the Norwegians accept, are deadlocked. The situation on Spitzbergen, the Arctic island on which Norway has sovereignty and administrative control, but where the Russians, running a large coal-mining operation, frequently ignore Norwegian regulations, is in a state of uneasy quiet.

The background is the Russians' concern with the security of their strategic military base on the Kola Peninsula and with the sea channels leading from it to the Atlantic used by their nuclear missile-carrying submarines. Norway's relations with the Russians represent a real clash of interests which has to be resolved by the kind of tough bargaining with a major military power, in which the Norwegians have little experience. It is a situation which is also of considerable significance for Norway's NATO partners.

Greater involvement with the Soviet Union has strengthened

William Dalrymple

Correspondent

NORWEGIANS celebrate independence to-day, they well marvel at what has befallen them since their nation was promulgated in 1905. The poor farming and fishing nation of those days, still had to wait until the 1930s to get its full freedom from Sweden, is about to become the wealthiest in the industrial world. On the way it also built and operated one of the world's largest shipping and developed its hydro-resources, to become the world's biggest aluminium producer.

At the moment many Norwegians feel that the pace of change has become rather too fast. Although only 25,000 are actually involved in development and the rest of the North Sea has started to flow, the impact of offshore discoveries is already almost palpable in the Norwegian society. It has had an intellectual and political as well as shaking the economy.

Some of the effects are not enough. With the rise in expectations and some economic management, it has been able to sustain employment, achieve a high living standards through the present international

It takes a Norwegian to sell 3 million cars to Japan!

Turnover is not always the most important when it comes to trade relations. Toy cars are a case in point. There is a lot to be said about economic and social Norway, and as the largest commercial bank in Norway, we know all about it. DnC's International Department is your financial gateway to Norway! Ask us. It's our job to know.

DnC
Den norske Creditbank
The largest commercial bank in Norway



Regt. 21, Oslo 1, Norway - Tel. 48 10 50 - Telex: 18175 CREDITBANK - Cables: CREDITBANK

What makes the ES Group an important part of the world of metals?

Norway is a small country, but in the world of metals it is a major power. One of the largest and most interesting industrial groups in Norway is Elkem-Spigerverket, also called the ES Group or just ES.

The ES Group makes some of the things the world really needs today. Like aluminium, steel, ferro-alloys and copper, as well as a variety of manufactured goods.

ES is a pioneer in the electric smelting of ores and metals. The Engineering Division designs and supplies electric smelting furnaces for the metallurgical industry worldwide.

Elkem-Spigerverket was formed through the merger of Elkem and Christiania Spigerverk - two leading names in the world of metals.

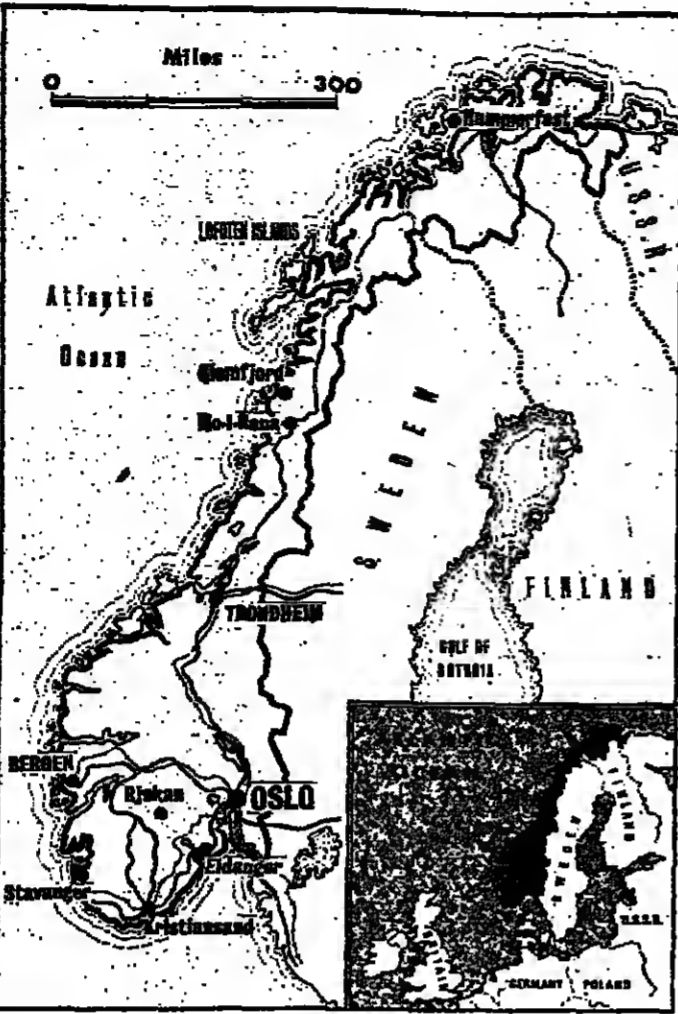
Investments abroad include the subsidiary Manchester Steel Limited who produce high quality rods for the wire drawing industry together with a full range of carbon steel billets. The address is Manchester Steel Limited, Philips Park Road, Manchester M11 3ET, tel. 061-223 7252.

For further information about the ES Group, please contact Elkem-Spigerverket, Information Department, P.O. Box 5430, Oslo 3, Norway.

ES Elkem-Spigerverket as

NORWAY III

Defence role for the West



THE BEST WAY of looking at Norwegian defence is to look at a map. Norway is a large country with a disproportionately small population of just over 4m. Only about 4m. of its population lives in the south which, strategically, is the part that matters. It is one of only two countries in the Atlantic Alliance whose other being Turkey to have a border with the Soviet Union. Its other eastern borders are with Sweden, which is neutral but probably safe, and Finland, which is also neutral but arguably much less secure. Norway also has an exceptionally long coastline. That has always been important, but for a number of reasons it has become even more important now. One is the discovery of offshore oil and gas which has transformed Norway's economic prospects. Another is fish, which the Norwegians maintain an extraordinary attachment to, despite the fact that the fishing industry accounts for only about 2 per cent of GNP. Yet another reason is the extension of economic zones at sea to 200 miles. It means that a lot of Norway's most valuable resources are, in fact, offshore and there is a lot to protect. That would be difficult enough even in a simple world. It has been made much more complicated by the growth of Soviet naval power. For just the east of the north east Norway is the Kola Peninsula and the port of Murmansk—the home of the Soviet Northern Fleet. Ten years or so ago that was relatively insignificant. The Soviet Navy was by and large a coastal navy. To-day, however, the Northern Fleet is one of the highest single concentrations of Soviet military strength, and it has a problem, which is how to get out. Concentrated in Murmansk, the Northern Fleet is—in ordinary language—a high value target. It could be destroyed relatively easily in a pre-emptive attack if hostilities had broken out elsewhere. Its purpose is presumably to break out to the Atlantic and seek to control the shipping lanes between Europe and North America, cutting off, if necessary, sea-borne supplies from the north. It could do this much more effectively from bases in northern Norway, which is why the strategic importance of the area has grown. Indeed if there were to be a general war in Europe, it is almost inevitable that northern Norway would be the scene of some of the earliest action. Developments in Norwegian defence over the past few years have been largely in response to this challenge. The general increase in Nato and among Norwegian armed forces, in fact, is being met satisfactorily at the more so as, when it comes to defence, Norway operates under a number of constraints. Some of these constraints are self-imposed. The Norwegians do not, for example, allow the

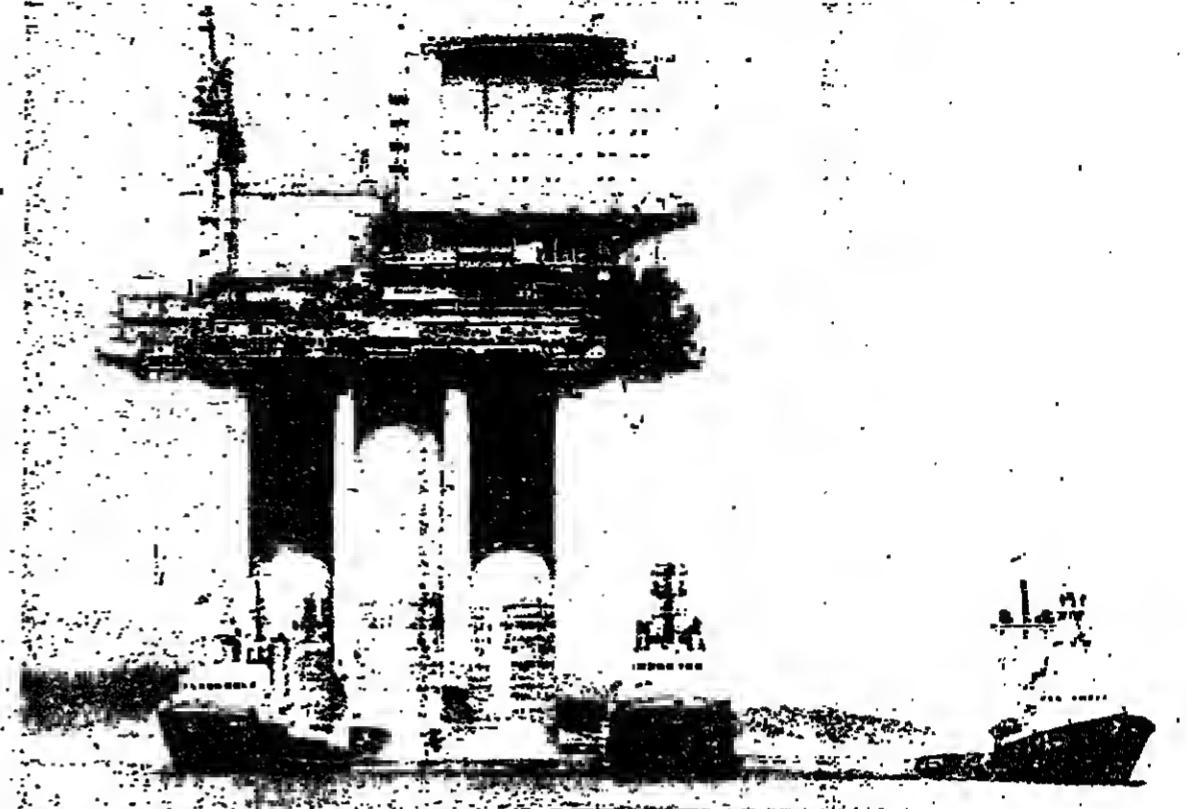
artillery, greater concealment of aircraft and the hardening of hangars. Ground to air missile defence has yet to come, but what is new is the confidence that it will come in future. The refusal to allow foreign troops permanently on the territory remains, but it is certainly being interpreted flexibly. The number of allied personnel who spend time in northern Norway is considerable, and one can assume that NATO is fully informed about all defence contingency plans including plans to operate behind the lines if territory is lost. There is also nothing to prevent, indeed the Norwegians do everything to encourage, the allies taking part in exercises. These, too, are primarily about reinforcements and the great new emphasis now is on "pre-stocking": that is, having the equipment on the spot for the reinforcements to pick up when they arrive. In that terrain there is no shortage of places of concealment. It should be added that there appear to be no great problems of morale. Conscription is accepted as a way of life, so too is being a reservist. Defence policy seems to be widely understood throughout the country and the attachment to NATO has grown with the rejection of the European Community. NATO, in fact, is the international organisation which links the Norwegians to a wider world. There are weaknesses, of course. The manpower problem could be at least partially alleviated by the greater use of women, but Norway is a conservative country on that subject. There is also still a marked suspicion of the Germans, and therefore a reluctance to allow the Germans to do more in the collective defence. It is to Britain, the U.S. and Canada that Norway looks for reinforcements rather than to Germany, and its tendency is to regard itself as an Atlantic rather than a European power. It might be nice too to see the Norwegians develop a more outward going navy, though that is perhaps something that will come: certainly some thought is being given to it. It would also be idle to pretend that Norway could withstand anything like a full scale attack. Its proximity to the Soviet Union is weighted against it. What one can say, however, is that it could probably put up enough resistance to make a limited Soviet probe not worth trying. The Soviet Union must be aware that an attack on Norway carries the risk of turning into a major European war. Awareness of that is what constitutes deterrence. Meanwhile, in time of peace, Norway continues to be an invaluable watching post. One way or another, most of what is known about the movements of the Northern Fleet is known from Norway. Malcolm Rutherford

of IS
has been approved...
bring them...
short...
with...
policy...
union...
stable...
sure...
on...
in...
practice...
directly...
while...
This...
the...
will...
It...
out...
price...
by...
Mr. K...
remarks...
prefer...

permanence of foreign troops on their territory. Nor do they allow the stationing of nuclear weapons. They also seek to keep their military activities in Finnmark—the northernmost part of the country—below a level which could be considered provocative by the Soviet Union. Flight missions east of 24 degrees east—more or less in line with North Cape—are restricted for the same reason. Other constraints are those of geography and resources, especially manpower. Communications in Norway are not good. There is only one major road linking the north and south, and even that is frequently interrupted by ferry crossings. The border with Finland must be considered vulnerable: it is the most likely point of entry for a Soviet land attack. At the same time, the bulk of the population lives in the south—well away from the most valuable strategic area. However much the Norwegians adopt a policy of "total defence", there are limits to the number of forces they can deploy in the north. It is within these constraints that the Norwegians have done well, and they have done so essentially by refining and sharpening existing policy. Ever since the country joined NATO, it has been assumed that the most likely area of attack was the north. The aim was to respond to aggression in such a way as to allow time for reinforcements to arrive. These would come both from the south and from abroad. It was always admitted that the warning time

It takes a lot of qualifications to be a leading bank in Norway

One of them is a thorough insight in international business conditions.



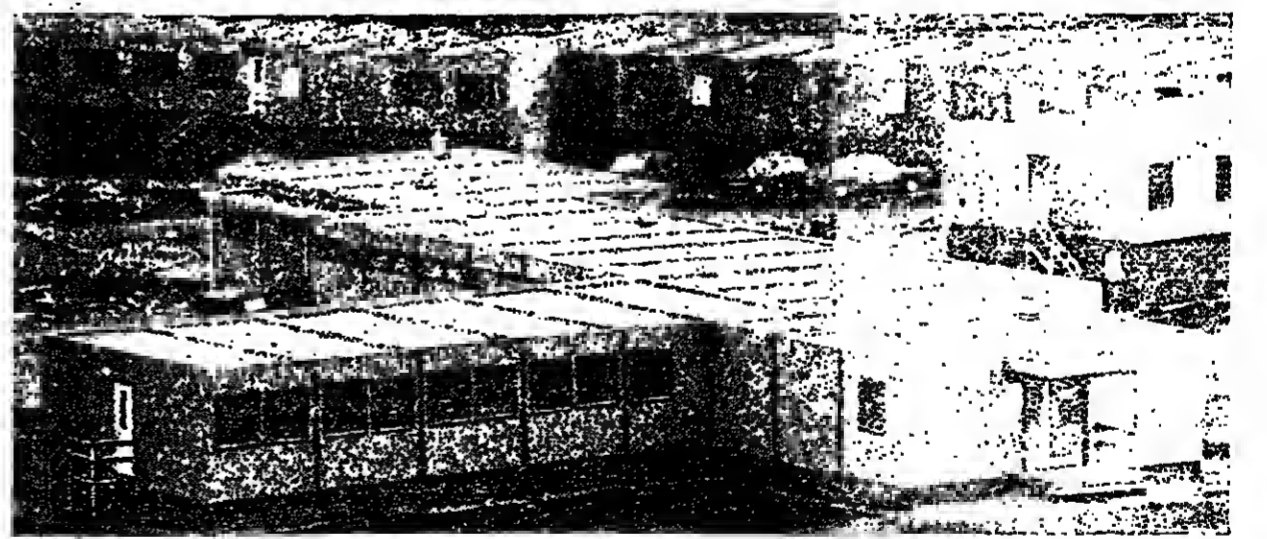
The last few years oil has added new dimensions to the Norwegian Economy and to Bergen Bank.

Foreign Trade is of great importance to the Norwegian Economy. BERGEN BANK is a leading commercial bank in Norway. We serve a number of Norwegian exporters and importers, and we have over the years acquired an extensive knowledge of rules and regulations concerning Foreign Trade. You can take advantage of this knowledge. BERGEN BANK has two Central offices specialising in foreign affairs, and we have 96 BERGEN BANKS all over Norway serving local business. Internationally we are connected with leading banks all over the world, and we have owner's interests in Scandinavian Bank, London, and Banque Scandinave en Suisse, Geneva. Scandinavian Bank has established banking facilities in Hong Kong and Bahrain. BERGEN BANK has also a representative office in Tokyo. Furthermore we have a major share in BERGEN BANK International S.A., Luxembourg, and participates in Finanzierungs-gesellschaft Viking, Zürich. BERGEN BANK would be pleased to serve you. Please contact us directly or through your bank.

Bergen Bank, Oslo logo and contact information for various branches.

MOELVEN

Temporary and permanent site accommodations for construction and turnkey projects.



The Moelven Group was one of the pioneers in developing industrial production of high standard housing and is today among the most advanced factories in the world for precast lightweight structures for camps and housing. The Group manufactures housing and comprehensive on site accommodations including sleeping quarters, recreational, catering and welfare facilities, offices, administrative quarters and motels. Moelven may deliver the units ex works as well as undertaking a complete turnkey delivery. A unit knocks down to 20-25% of erected cube, and may be erected by lowskilled labour with experienced supervisor. The operation is fast and simple. The units may be erected on simple site prepared foundations or mounted to skids or wheels. The units are of special high Scandinavian quality, fully insulated and completely wired and plumbed. Moelven is far the biggest on quartering in Norway, and has also gained experience from Arctic to Tropic climatic conditions through exports. The products have proven to be superior when it comes to high standard of year-round accommodations where a short time of completion is essential.

Request more informations: A/S Moelven Brug, N-2391 Moelv, Norway. Telephone + 476 54 72 61, Telex 16350 moelvn n.

MOELVEN logo and contact form fields for Name, Address, Company, Telephone.

Success

CONTINUED FROM PREVIOUS PAGE

ould have cost the Exchequer... Two prominent features of a Norwegian economy over the past two years have in fact been the increase in the budget deficit and the boom in private consumption which has risen 5.8 per cent each year. Norway has traditionally run a tight fiscal policy but in 1975 the budget dropped into a deficit of about Kr.10bn., which increased to Kr.2.5bn. last year and is expected to be Kr.6.5bn. more this year. The Government net borrowing requirement has increased to Kr.3.5bn. in 1974 to some 10bn. last year and an estimated Kr.13bn. this year. It has been boosted by the loans

to the state banks which have in turn helped to finance industry to maintain employment during the recession. In his annual address to the supervisory council of the Bank of Norway, the Governor, Mr. Knut Getz Wold, underlined the need to check the growth in incomes and consumption and to reduce the government borrowing requirement in order to improve the payments position and to stimulate investment in the non-oil sectors. He was particularly worried about the decline in savings, pointing out that while 90 per cent of the net capital investment had been covered by savings in 1973 more than half had been financed externally in 1976. Although the enormous in-

vestments in oil development made this trend unavoidable, public savings have also dropped sharply. In 1976 real net savings were some 18 per cent lower than in 1971. The OECD has also urged Norway to apply less fiscal stimulus, to cut inflation and to pursue a more cautious demand management policy. Government spending must be connected with the fact that Norway is in an election year and it is evident that, if returned to office in September, the present government will make a more determined effort to hold down incomes and consumption. Its long-term programme for 1978-81 foresees an average increase of 1.5 to 2 per cent a year in real disposable in-

come and a decline in the growth of consumption to around 4 per cent. For the past three years total domestic demand has risen more rapidly in Norway than in any other country, very largely because the government has been willing to discount future oil income the result has been heavy cost pressures on industry, the consequences of which the government has yet to tackle fully. It has long been recognised that the oil revenue will call for a major restructuring of traditional Norwegian industry but it is to be affected without too much disruption there will have to be dampening of demand. Any reversal of the Norwegian economy in its present state must be put in the long-term perspective. Norwegians are already third only to the Swiss and the Swedes in per capita GNP among the industrial countries. They will be ahead within another three or four years and through the 1980s will become by far the wealthiest. For the past two years the Norwegian economy has been responding both to the recession abroad and to the huge investment on its continental shelf. Within the next few years the emphases will change. In its programme for the four years from 1978 the government is already aiming at building a "qualitatively better society," giving priority to improved social welfare. It has still to determine how much further into the future Norway will play the role of capital exporter. But that question, like so many others concerning the economy, may be more easily answered after the September general election. William Dullforce

PAUS & PAUS A/s logo and list of products: CHEMICALS, RAW MATERIALS, PLASTICS, STEEL, MACHINERY. Address: P.O. BOX 281 SENTRUM - OSLO 1. Stores in: OSLO - BERGEN - TRONDHEIM - STAVANGER - DRAMMEN - LARVIK - MO.

NORWAY IV



The blow-out on Ekofisk Bravo late in April — the first major oil accident in the North Sea. Fighting vessel is spraying water over the platform and the gushing oil column.

Thinking about the Bravo blow-out

NORWEGIANS are still digesting the first serious mishap in North Sea oil production. The blow-out on the Bravo platform in the Ekofisk field is best described as a close shave, a reminder of the potential dangers both physical and environmental involved in offshore operations. Had the escaping gas ignited or weather conditions been less favourable, a real disaster could have occurred.

Although such considerations have made an impact within Norway, the Labour Government has taken the line that offshore oil is already part of the Norwegian economy and that the risks attached in its exploitation have to be accepted. But stricter control measures and a greater emphasis on co-operation among the North Sea countries on oil security can be foreseen.

It is also possible to measure the immediate effect of the blow-out on offshore activity. Plans to start drilling north of the 62nd parallel in 1978 have been postponed. The fourth concession round of blocks south of the parallel will be slightly delayed, the Norwegian Parliament will consider licences in the autumn and not this spring and drilling on the new blocks will not start until next year. On the other hand the Government has stood firm on its decision to go ahead with development of the small Hod and Valhalla fields.

The blow-out, then, will add a few further checks to the long list of delays which have punctuated development on the Norwegian shelf and pushed up the costs of extracting the oil and gas. Allowing for time schedules, however, the massive offshore operation is still moving ponderously — at a pace deliberately slower than that of the British shelf.

For the oil companies involved and the offshore supply industry it is of prime importance that the delay in allocating new licences under the fourth concession round be as brief as possible. The Government on its side must consider that drilling to find new discoveries will have to get under way if it is to maintain production at the 7bn. tons a year at which it is expected to peak in 1985 or 1987.

It is significant that of the 48,000 square kilometres allocated in the 1965 and 1969 concessions over 28,800 square kilometres have already been returned by the companies and more will be relinquished this year. Currently licences are held for only 88 whole or part blocks or substantially fewer than were held in 1974.

The third concession round, motivated principally by the Government's wish to explore blocks along the dividing line with the British sector, resulted in no major discoveries. The rate of exploratory drilling in the Norwegian sector, which has an immediate effect on the employment level, will fall below the 20 to 25 wells a year maintained in recent years, if the Government does not soon license some of the more promising blocks remaining south of the 62nd parallel.

The Cabinet had included 15 blocks in the proposed fourth round, but at the very last moment decided to leave out block 34/7, which adjoins the Statfjord block and is considered the most promising remaining prospect, and 34/8. The Cabinet's argument is understood to have been that if too many new discoveries were made, pressure for their development could mean that the production ceiling of 90m. tons a year would be broken through in the late 1980s. But the decision to omit 34/7 has not gone down well among the companies, whether foreign or Norwegian.

The 15 blocks remaining in the fourth round represent a mixed bag. They exclude the promising 34/10 which it is assumed will be allocated exclusively to Statoil, but include 34/4 block which at one time seemed to be designated for the Norwegian trio Statoil, Norsk Hydro and Saga, and 30/6, a block north-east of the Frigg discovery said to offer interesting prospects.

CONSULTANTS
TO THE SHIPBUILDING, SHIPPING & OFFSHORE INDUSTRIES

Shipping Research Services have, in the last ten years, worked on projects all over the world for national and international authorities, private shipyards and shipowners, brokers and investors. SRS operates in a highly specialized band of the consultative engineering spectrum: By concentrating on these areas, SRS are able to offer an exceptionally efficient service. SRS can, by rational use of their knowledge, shorten the time spent in arriving at a practical working solution. Let SRS know what your particular problems are and we will gladly tell you if they fall within our service spectrum. If they do, you will find that drawing upon our expertise can represent a sound economic investment for the success of your plans.

SHIPPING RESEARCH SERVICES

SHIPPING RESEARCH SERVICES A/S
Postboks 70, Hagerstrand
S-0100 SANDVIG
Telefon: 0448 Oslo
Telex: 21202

SRS

SHIPPING RESEARCH SERVICES INC.
305 S. Whiting Street
Alexandria, Virginia 22304 U.S.A.
Telefon: (703) 556-4100
Telex: 723370-021

KREDIETBANK S.A. LUXEMBOURGEOISE

Between 1963 and 1977, the following public bond issues were managed or co-managed by Kredietbank for Norwegian borrowers. These issues total an equivalent of about

US \$ 1,000,000,000

Norges Kommunalbank	UA	12,000,000	63/83	Norges Kommunalbank	DM	60,000,000	75/80
Kraftigget Opplandskraft	S	7,000,000	64/84	Kingdom of Norway	UA	50,000,000	75/80
Kraftigget Opplandskraft	S	8,000,000	65/85	City of Oslo	UA	25,000,000	75/85
Redernes Skibskredittforening	UA	10,000,000	66/80	Kingdom of Norway	DM	100,000,000	75/80
Sira-Kvina Kraftselektab	S	12,000,000	70/85	City of Oslo	S	40,000,000	76/88
Norges Kommunalbank	UA	15,000,000	71/86	Norpipe	S	50,000,000	76/86
Akileelskapet Borregard	S	15,000,000	71/86	Kingdom of Norway	DM	100,000,000	76/81
Norges Kommunalbank	S	20,000,000	72/87	Norges Kommunalbank	DM	100,000,000	76/81
Norges Kommunalbank	S	20,000,000	72/87	Kingdom of Norway	DM	100,000,000	76/81
Norges Kommunalbank	S	20,000,000	72/87	Norges Kommunalbank	DM	60,000,000	76/81
City of Oslo	FF	100,000,000	72/87	Kingdom of Norway	DM	200,000,000	77/82
City of Bergen	Flux	800,000,000	72/87	City of Bergen	DM	50,000,000	77/89
City of Bergen	S	15,000,000	72/87	City of Oslo	Flux	500,000,000	77/87
City of Oslo	Flux	500,000,000	73/81	Norpipe	S	50,000,000	77/85
City of Bergen	UA	12,000,000	74/92	Norges Kommunalbank	DM	100,000,000	77/89
City of Oslo	UA	15,000,000	74/81	Kingdom of Norway	DM	200,000,000	77/82
City of Bergen	DM	40,000,000	74/79	Norges Hypotekforening	DM	50,000,000	77/87
Norges Kommunalbank	Nkr	220,000,000	75/87	Norges Kommunalbank	S	75,000,000	77/82
Kingdom of Norway	DM	100,000,000	75/80	Den Norske Industribank	DM	150,000,000	77/89
City of Bergen	DM	50,000,000	75/85				



Kredietbank S.A. Luxembourg
43, boulevard Royal
L - Luxembourg
Tel. 47871 & 28411 (Eurobond trading department)
Telex 3418

THERE ARE SEVERAL REASONS IN FAVOUR OF BERGEN LINE

We are at your service 24 hours a day and have considerable experience in offshore business. Our main office is situated in Bergen, the nearest communication centre to major oilfields as Statfjord, Brent, Thistle and Frigg. We work together with connections all over the world about all kinds of international transport — Linerservices, Chartering, Tugs, Supply vessels, Airfreight, Removals, Forwarding and Road haulage. Furthermore we offer Travel agency services. Full offshore catering & supply service and garbage disposal facilities.

We do like challenges — give us one!



OIL INDUSTRY SERVICES

Main office: Sandviken 1, 5015 Bergen, Norway P.O. Box 4088 - Tel. No.: (05) 210020 - Telex: 42750 bden



NORWEGIAN PRESS MONITOR

7 a.m. Trade and Diplomatic, founded 1974.

Covers daily—except Saturdays and Sundays—the essentials from Norway's leading newspapers for embassies, universities, banks and senior business executives, in about 1,800 words.

Subscription terms NKR 4.000.—annually plus postage. One week's sample supply gratis.

NORDIC DAILY PRESS DIGESTS

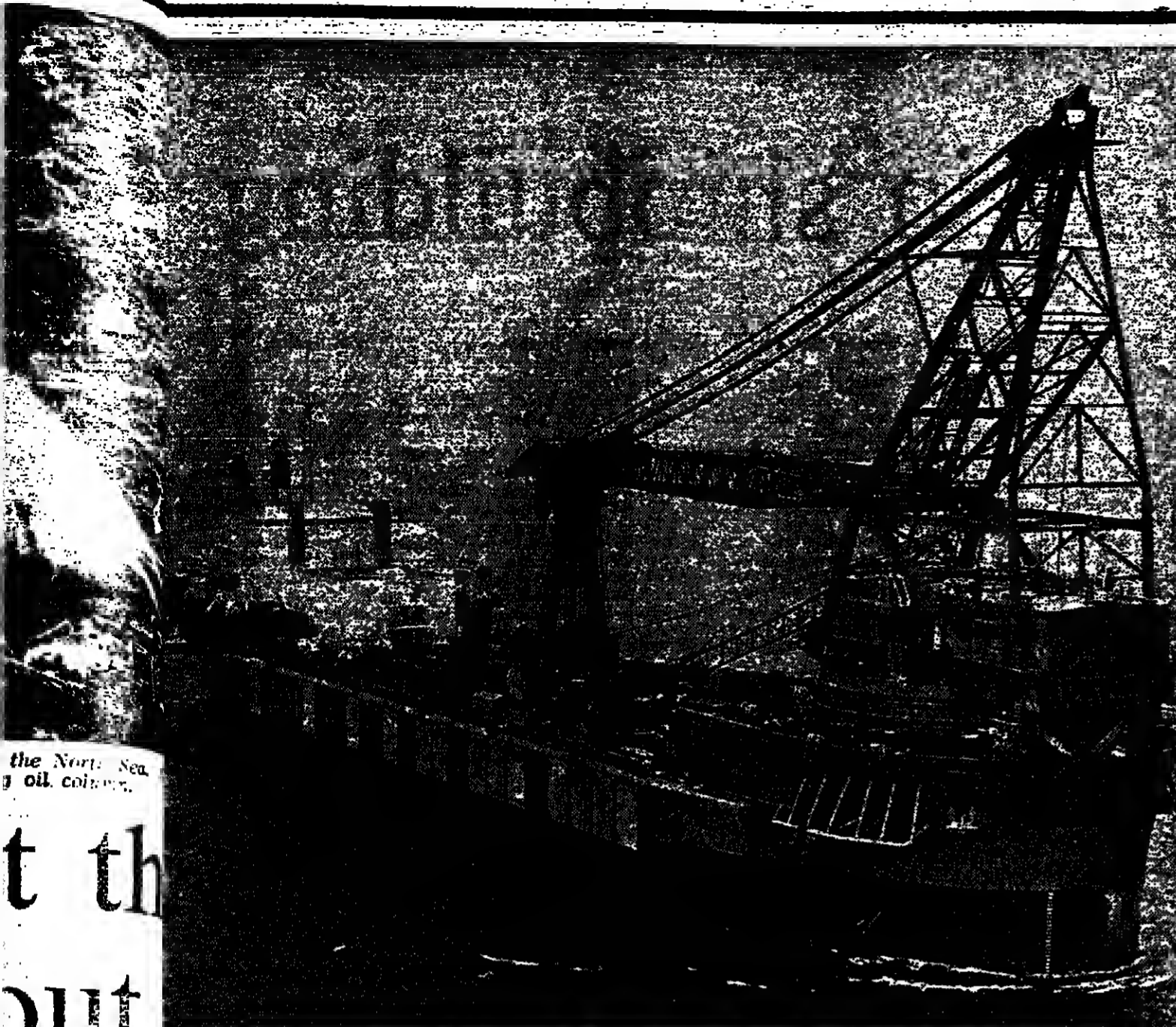
Raadhusgaten 9, Oslo 1. Tel.: Oslo 416100 (or)

Valhallavegen 92, Stockholm.

Tel: Stockholm 21 56 19 or 62 58 88.

Copy to Liba

NORWAY V



The oil ship Sarita, which was converted from a 50,000 dwt tanker by A. S. Bergens Mekanismiske Verktøysteder and the Aker Group, has a lifting capacity of 2,000 tons.

Offshore operations at a standstill

NORWAY'S DRILLING rig owners—already competing desperately for scarce jobs in a tight market, forced to accept rates which barely cover operating expenses and leave them "entirely at the mercy of the banks" (to quote an Oslo broker)—have been dealt another stunning blow by the Ekofisk disaster.

Before the blow-out, the market had seen a very slight improvement in rates. From the \$15,000/16,000 per day, they rose to \$18,000/20,000 per day. This was still not enough to meet interest on building rigs, let alone amortisations, let alone steadily increasing operating expenses.

As a result of the blow-out, activity in the North Sea area (not all Norwegian rigs, only five were "checked" or laid up. There was a hope for the future in the government's offer of new rigs to oil companies, in the concession round, and seemed a good chance that Storting (Parliament) might approve the start of exploratory drilling off north Norway in 1978.

It is virtually certain there will be no drilling in north Norway next year, and the Norwegian sector south of the parallel, it seems, likely the authorities will hasten to shut public opinion had time to recover from shock of the blow-out. The fact for the rig owners is indeed, according to one Oslo broker, rig owners would need to \$35,000 per day to cover operating expenses plus capital—that is, if their rigs were being right through the year.

Contracts, however, are being concluded on a one-off basis, and in addition to time between jobs, there is a winter season when far walls are being drilled, rig working only seven months a year needs to earn \$100 a day, when it is work-

ing to pay its way," the broker pointed out.

Owners who have converted their rigs to other functions, such as master construction barges or accommodation platforms have found there is some what better demand for those than for ordinary rigs. At the end of the queue where new assignments are concerned," he said in a recent Press interview.

With the benefit of hindsight, many people have questioned the business sense of Norwegian—mostly shipowners—who placed rig orders so recklessly four to five years ago. The harshest criticism yet published, however, has come from one of their own number.

In an interview with Norges Industri, official organ of the Norwegian Federation of Industry, shipowners Nils Astrup said owners who joined the contracting rush were marked by "sheep mentality."

Astrup commented: "It is quite fantastic the amount Norwegian shipowners invested in offshore equipment, first and foremost in drilling rigs, without proper financing, without (guaranteed) employment—this, moreover, in competition with offshore companies that had decades of experience. In competition with these we believed we could manage, from scratch, to secure a fairly large niche in the market. To-day I regard this as pretty naive."

The North Sea market for most types of offshore supply vessels is also glutted, and rates for most categories fell in 1976. According to Platou, the demand for smaller conventional supply vessels in the North Sea was very limited, because of reduced construction activity, and rates declined dramatically. The time charter rate per day for the smallest vessels fell to \$1,500/1,800 from \$2,000/2,000 in 1975. During the last quarter, after completion of the North Sea season, activity dropped to a level at which lay-up seemed the most realistic and economic alternative for many Norwegian supply vessel operators. Even

Deliveries

Among many factors depressing the market is the fact that rigs ordered during the contracting boom of the early 1970s are still being delivered. But this flow will more or less dry up by end-1977. According to Oslo brokers R. S. Platou, 63 rigs were delivered, world-wide, during 1976. At the end of the year only 48 were still under construction, and all but four of those will be delivered this year.

The Norwegian-flag fleet of mobile rigs numbered 24 at end-1976; one was temporarily serving as a master construction rig, and one as a diving support rig. Two Norwegian rigs had been sold, and one was out of operation after grounding outside Bergen. There were still 10 drilling rigs and three multi-purpose crane rigs under construction which will fly the Norwegian flag, and all but one of these are due for delivery this year.

Mr. Carl-Axel Janicke, managing director of the Norwegian Drilling Rig Owners' Association, believes that in the longer term some of the excess capacity may find employment in new offshore areas being opened up in other parts of the world—India, Pakistan and South America, for example.

Reluctant

Oil companies operating offshore have reportedly been reluctant to estimate their maintenance and repair requirements over coming years—understandably enough in the unpredictable North Sea environment. Several Norwegian companies are, however, already gearing themselves to a growing market for repair and maintenance services.

For some of Norway's shipyards an increased flow of this type of work may partly compensate for the forthcoming, anticipated dearth of rig and ship-building jobs. With the Norwegian reputation for labour peace and delivery on time, they should have a strong competitive edge over U.K. yards—speed is usually vital where repair jobs are concerned.

A couple of Norwegian companies in two totally different fields—aviation and electrical equipment—recently formed a new firm to cater for the offshore market. Tero A/S will specialise in servicing electrical and electronic equipment on offshore installations. The company is owned 50/50 by Braathen Airlines and Elektro Union Offshore, a member of the Norwegian Elektro Union concern, which produces a wide range of electrical goods. Braathen has a large maintenance and service base at Sola airport near Stavanger, where it does work for 40 other aviation companies, as well as on its own aircraft. The aim is to combine Braathen's experience and resources in aviation maintenance with Elektro's technical expertise.

NORDIA

Norwegian designed products

NORDIA WALL — the versatile demountable partition found in offices throughout Europe and the U.K.

NORDIA LAB — the modular system of laboratory furniture incorporated in industrial and research laboratories.

NORDIA SHOP — the retail store equipment used in thousands of U.K. shops end throughout the world.

NORDIA (William Mason & Son Ltd.) in Great Britain is a division of

NOREMA AS

Gelderd Road
Leeds LS12 4JD
(0532) 459554
telex 53379

2 Grosvenor Gardens
Victoria
London SW1W 0DH
(01) 730 2238

Fay Gjester

You've got until 11.45 a.m. to fly the country.

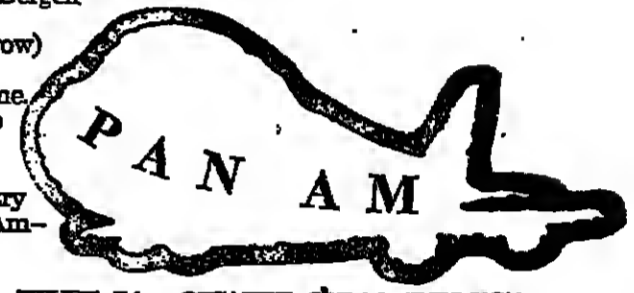
A gentle reminder to all those flying to Oslo with Pan Am.

Pan Am announce a daily service to Bergen and Oslo.

Flight PA124 leaves London (Heathrow) at 11.45 hrs. and arrives in Bergen at 13.35 hrs., and Oslo at 14.45 hrs., local time.

The return flight, PA125, leaves Oslo at 09.30 hrs., local time, reaching London (Heathrow) by 11.30 hrs.

So if you want to get out of the country fast, ask your Travel Agent—or call Pan Am—for a reservation.



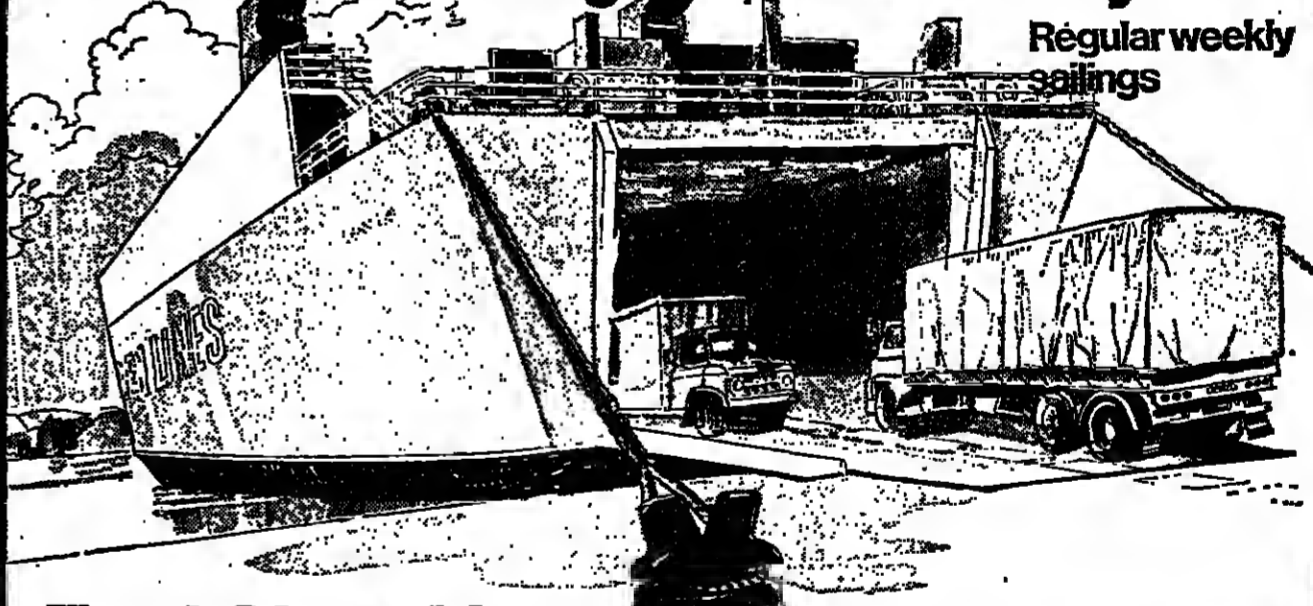
PAN AM 50 years of experience.

THE 51st STATE OF AMERICA.

RO-RO

Felixstowe - Immingham / East Norway - Oslo

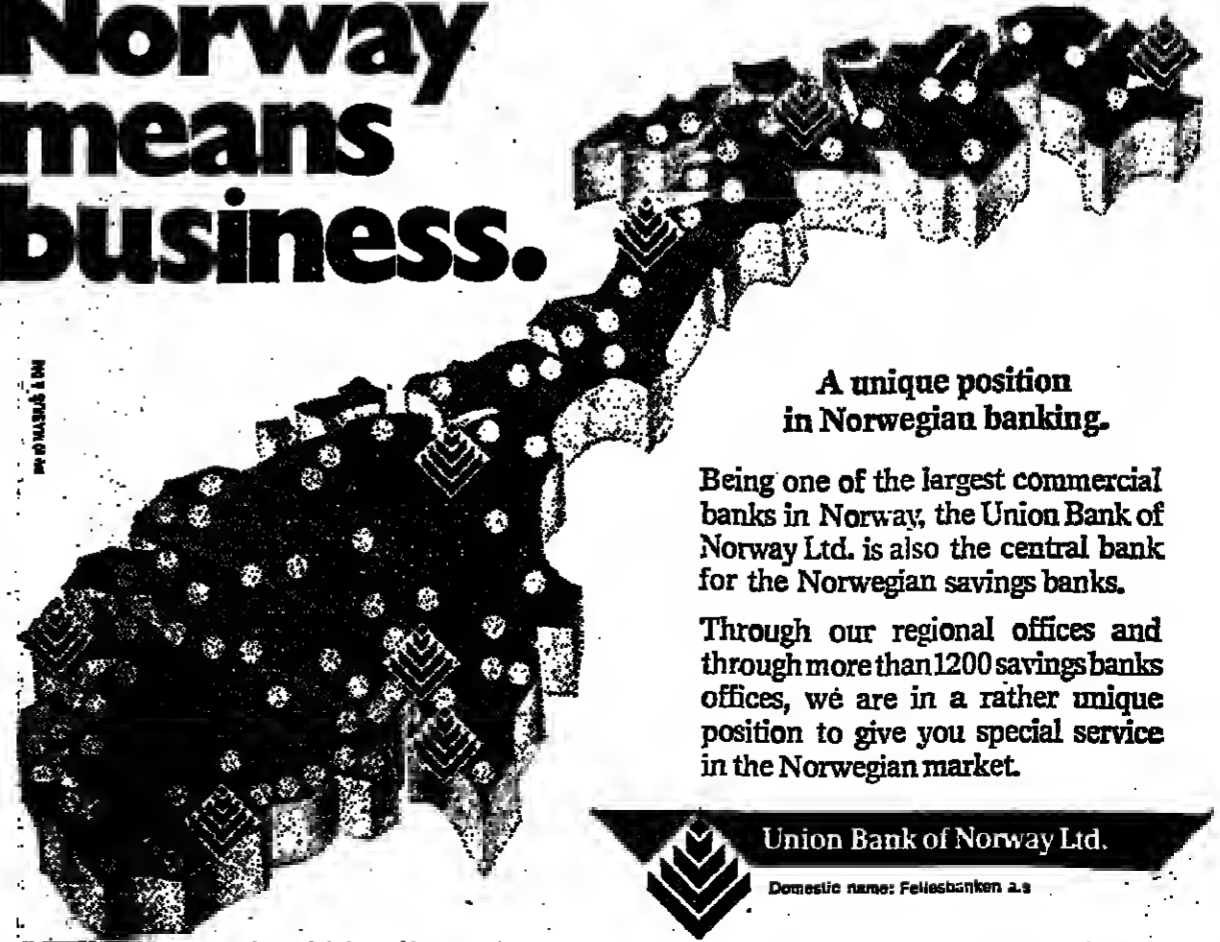
Regular weekly sailings



Fred. Olsen Lines

Fred. Olsensgt. 2, Oslo 1. Tlf. 41 50 70

Norway means business.



A unique position in Norwegian banking.

Being one of the largest commercial banks in Norway, the Union Bank of Norway Ltd. is also the central bank for the Norwegian savings banks.

Through our regional offices and through more than 1200 savings banks offices, we are in a rather unique position to give you special service in the Norwegian market.

Union Bank of Norway Ltd.

Domestic name: Fellesbanken a.s.

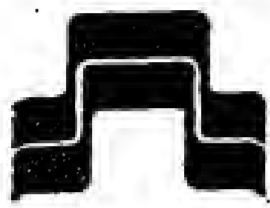
NORWEGIAN GRAPHITE

from

A/S SKALAND GRAFITVERK

Natural graphite is available in both flake and powder grades with carbon contents in the range from over 90% to as low as 45%.

For a fast and reliable service contact the U.K. Associate and Worldwide Selling Agent:—



CHEMICAL & CARBON PRODUCTS LTD.

P.O. Box 5,
1255 High Road,
Whetstone,
London N20 0EU.

Tel: 01-445 9122 Telex: 21246

EXPLOIT BUSINESS OPPORTUNITIES IN NORWAY AND SCANDINAVIA

Take the advantage of our Advisory Service when considering:

- Investments projects
- Opportunities for acquisitions or disposals
- Partners/joint ventures
- Market Intelligence
- Licence-arrangements

Contact: Mr. O. Krogvik, Mgr., Project Dept.

A SECURUS

Fr. Nansens pl. 9, Oslo 1, Norway
Tel.: Oslo 42.39.94 Cable: Securus
Telex: 18228

ADVERTISING IN NORWAY?

Aftenposten, Norway's leading newspaper, reaches more Norwegian management and top salaried consumers than any other Norwegian newspaper or magazine.* Aftenposten leads in circulation, page and advertising volume. Market and readership data available on request.

Aftenposten

Akersgaten 51,
Oslo 1.
Telephone: 02-20 70 70.
Telex: Oslo 11230
U.K. representatives:
Joshua B. Powers Ltd., 46 Keyes House,
Dolphin Square, London SW1V 3NA.
Telephone: 01-834 8023.
Telex: 917634.

* Source: I.M.F. Media Int'l 1976/77

What is behind No. 9?

To be Norway's 9th largest industrial group does not mean a lot — unless you consider the facts behind that position. In Norway, number 9 means an industrial group which is

- Norway's only producer of cement
- Norway's largest producer of building materials
- One of the largest overseas exporters of cement in Western Europe.

Other key facts are:

Turnover (mill. N.kr.)	Net Profit (mill. N.kr.)
1976: 1.357.6	1976: 57.0
(+ 14% from 1975)	1975: 31.3
	1974: 9.2
Capital (mill. N.kr.)	Employees
1976: Total capital: 1.225.5	3.444
Equity	333.5

Shareholders
6.366
36% owned by individuals
35% owned by banks,
insurance companies, funds etc.
29% owned by shipping, industry, trade

NORCEM

A/S Norcem, Haakon VII's gt. 2, Oslo 1, Norway. Tel. (02) 41 2770.

Cement Division	Building Materials
Three cement plants	Leca
	Eternit
	Siporex/Ytong
	Concrete
	Zanda
International Operations	Miscellaneous Activities
Export of cement, clinker, other products and services.	Pleasure crafts
Joint-ventures	GRP-products
	Paper
	Perlite
	Mud-products

Crisis in shipbuilding

NORTH SEA demand for drilling rigs and production platforms has helped keep Norway's shipbuilding industry afloat through the world slump so far, and few of the industry's 34,000 workers have yet had to be laid off. Tanker contract cancellations and a fall in the order flow—including offshore orders—have, however, now reduced order books to a precariously low level.

In mid-March, the Minister for Trade and Shipping, Mr. Halvard Bakke, summed up the situation as follows. By the end of 1977 38 Norwegian yards employing 14,000 would have delivered the last ship on their books. Twenty-five yards employing 18,000 had contracts that would keep them busy through 1978, and only three yards, with 1,000 employees, were ensured work through 1979.

Falling new orders, by August this year yards employing a total of 7,000 would have no work for one or more of their departments, and by October yards employing over 75 per cent of the industry's labour force would have idle capacity in certain departments.

The Government's strategy for meeting this crisis has been, first, to pump public money into the industry. A 1.125bn. kroner (€125m.) aid scheme, recommended by a Royal Commission which had studied the industry's problems, was approved by the Storting (Parliament) at the end of

March. It authorises Government loans up to a total of 500m. kroner from a special "structural fund" to help yards convert to activities other than shipbuilding, to buy production equipment which will make them more competitive, or even to finance short-term measures designed to "make work" for otherwise redundant employees.

Moreover, the scheme allows the Government to write off State loans to yards which may be in difficulties when the loans fall due—a provision which some critics say violates OECD rules.

Contracts

In addition to the structural fund, the aid package provides for Kr.400m-worth of financial guarantees on domestic shipbuilding contracts. It also increases from Kr.250m. to Kr.500m. the amount available to subsidise interest rates on shipbuilding loans to developing countries.

With the assistance of Norwegian yards, brokers and the Export Council, the Government is currently scouring the world for shipbuilding orders that can qualify for the interest subsidy scheme. To benefit, the orders have to come from developing countries, and they have to be for types of ships which will not compete with Norway's merchant fleet—that is, coastal cargo vessels, local passenger ferries, fishing boats and so forth. They also have to be for completion by end-1978, in its

because the whole project is primarily a short-term one, aimed at fighting the threat of early, large-scale unemployment in the shipbuilding industry.

Framework agreements to provide cut-price shipbuilding finance have already been concluded with the Philippines and Egypt, among others, and negotiations are now in progress between interested yards and prospective buyers. The contracts Norway hopes to win in Egypt, for instance, concern equipment for the Suez Canal and a hotel ship for traffic on the Nile.

Even offering the bait of cheap finance, the Norwegian yards have had to squeeze prices hard to win the Third World orders. Shipyards in other countries, where costs are lower, are also interested in this market. With unemployment the alternative, however, the Norwegian shipbuilders have been willing to offer vessels virtually at cost.

Apart from allocating money for loans and subsidies, the Government hopes to help the shipbuilders by speeding up offshore projects which offer the prospect of substantial employment for the industry. Since mobile drilling rigs and offshore support vessels are already in over-supply, the scope for new orders must come from development of new fields.

In mid-April the Government asked the Storting to approve development of the Valhall and Hod fields, near Ekofisk. In its

proposal it emphasised that the project would benefit the Norwegian offshore fabricating industry, which expects to get the lion's share of the orders involved.

The outlook for winning speedy approval of Valhall/Hod has been somewhat dimmed by the Ekofisk blow-out. It is hard to be sure, however, how long the post-disaster mood of soul-searching will last. Workers at the Aker group's Verdal platform-building yard are in no doubt about the project. The yard expects to get at least one of the two production platform orders involved, and its 800 employees want the scheme approved before the starting recesses for the summer.

To underline their demand, they held a one-hour sit-down strike on May 4, and issued a statement rejecting the argument that Norway should slow down offshore development until safety has been improved. Their stand was promptly backed by the powerful Iron and Metal Workers' Union, to which most shipyard workers belong.

That was one strike which almost certainly had the full backing of management. In its recent annual report, the Aker group called for an increase in the pace of exploration and development in Norway's sector, and in particular an early decision concerning Valhall/Hod and Staffjord "B," the projected second production platform for the Staffjord field. Aker has already switched nearly half its capacity to oil-

related work.

A few days after the out, a senior executive of the group said it was "early" to say whether an accident would have consequences for fabricating construction. "There is no course to be more on safety and maintenance," he said, "but we hope that not going to be at the end of new construction."

According to the Norwegian Federation of Industry, deliveries to the North Sea have actually been over the past few years. A recent statement issued by the federation industry supplied worth Kr.3.7bn. in comparison with last year, compared with Kr.4.9bn. the year before. It estimated that this year's is at only Kr.2.9bn., and said anticipated positive side of offshore activity had to materialise because of it on the pace of development.

Traditional

Nearly half the jobs in the oil-related industry were not really new jobs. Federation pointed out, workers concerned were their old companies, not new products. Now the industry, expected to give alternative employment to offset decline in traditional oil, was itself declining. Unless trend were reversed—by piling up offshore development, Norwegian industry could the chance to develop advanced industry to replace likely to become uncompetitive in the years ahead.

In fact, even in the unfavourable of big jump in oil activity, demand from the North Sea cannot by itself solve over-capacity problems of the way's shipbuilding industry. The haste over Valhall, like the fat Government subsidies and the hectic search for related contracts, is meant to win time while shipbuilders "adjust" to a fact that they must reduce capacity or switch to making products.

The Royal Commission studied the industry's problems, suggested that the yards start making steel support bridges and sports halls. A suggestion has been taken up by Norwegian ships, far more economic to run who oppose increasing the being diesel driven—and will conform to the highest IMCO and U.S. Coast Guard standards. They are among the first large tankers to be ordered with segregated ballast tanks, prescribed by IMCO to reduce pollution risks. Contract price for the two is reportedly around Kr.500m.

CONTINUED ON NEXT PAGE

Mixed fortunes for shipping companies

NORWEGIAN SHIPPING has made record losses last year. One of the worst hit was the Waage group, with a 1976 deficit of Kr.178m. (€18.8m.). The group has now been reorganised, with five of its six large tankers taken over by a new company in which creditors have a stake.

The troubled Reiksten tanker companies were reorganised last year, also with the introduction of creditor interests, and are now ticking over with the help of a \$100m. loan obtained on the London market last December. The loan is expected to cover operating expenses and interest payments on outstanding loans up to 1980—repayment of debt has been suspended.

Task

Other well-known companies in difficulties include the Halvdan Ditlev-Simonsen and Biørn Bjørnstad groups, and Fearley and Eger—the last named because it over-ordered gas tankers and drilling rigs during the contracting boom of the early 1970s.

Renouncing the debt of stricken tanker groups has "kept the major shipping banks busy," to quote an Oslo shipbroker. Their task has been made easier, however, by the existence of the State Guarantee Institute for Ships and Drilling Vessels, established in December 1975. The Institute—backed by banks, ship and rig owners, successful—has decided it is

as well as by the State—can guarantee owners' liabilities on condition that creditors agree to postponement of payments. It often subjects the owners to conditions too. It vetoed, for instance, a proposed merger between the Waage and Reiksten groups.

Most observers agree that the Institute has performed a valuable function by stabilising the market. It has enabled hard-pressed shipowners to avoid selling their vessels, which would thereby have further depressed prices on an already glutted market. Its advocates also argue that it would not have been in the national interest for Norwegian owners to sell potentially valuable tonnage abroad at "knock-down prices"—the ships will, it is claimed, regain their "real" value when the current slump ends.

Not everyone agrees with this reasoning. A critical article in the Oslo Aftenposten recently pointed out that the whole case for the Institute's existence rests on the assumption that to-day's idle tankers are really worth more than their current market price. This has always been dubious, the writer declared. If now seems less credible than ever, he continues, following the news that the Signal Bergesen has ordered two new supertankers in Japan. Vessels, established in December 1975. This company—"one of the world's best known and most successful"—has decided it is

better business to order new, expensive tankers than to buy existing tonnage at "so-called knock-down prices."

The new tankers, of 320,000 dwt each, are the largest ordered since the world tanker crisis began. They will be technically superior to existing ships, far more economic to run—being diesel driven—and will conform to the highest IMCO and U.S. Coast Guard standards. They are among the first large tankers to be ordered with segregated ballast tanks, prescribed by IMCO to reduce pollution risks. Contract price for the two is reportedly around Kr.500m.

CONTINUED ON NEXT PAGE



ANDRESENS BANK

We are the fourth largest commercial bank in Norway with extensive experience in international banking. We have a wholly owned subsidiary in Luxembourg. We are represented in Zürich through participation in Neue Bank A.G., Monaval Finanz A.G. and Finance Company Viking. Andresens Bank is the only Norwegian bank with its own representative office in London.

Balance Sheet as at 31st December, 1976 (in millions of Norwegian kroner)

Liabilities	Assets	
Capital	150	Cash & Banks 539
Reserves	75	Investments 1.083
Deposits & C.	3.580	Loans & Disc. 2.221
Other liabilities	222	Other Assets 184
Total	4.027	Total 4.027

For business with Norway — contact

Head Office	Subsidiary	Rep. Office
Andresens Bank A/S Torshovgaten 2 Oslo 1, Norway Telephone: 11 20 30 Telex: No. 11340 ABANK-N	Andresens Bank International S.A. 8, rue Adolphe Luxembourg-Ville, Luxembourg Telephone: 20 591 Telex: No. 1293 ABINT LU	Andresens (London) Limited Stock Exchange Building London EC2N 1HH, England Telephone: 628 7421-2 Telex: No. 861235 ABANK G

1350/100

NORWAY VII

Banking legislation

THREE BILLS designed to take Norway's commercial and savings banks more "democratic" are virtually certain to be passed by the Storting (Parliament) before the summer recess, despite strong opposition from all the country's non-socialist parties. One of the bills would change the laws governing commercial banks, allowing them to take over savings banks and the third would allow commercial banks to take over savings banks...

Inadequate

Some spokesmen for shareholder interests claim the proposed compensation is inadequate. They say that since shareholders will in fact be losing control of the banks and their assets, compensation should be based on the real net value of the banks' assets including every building, typewriter and adding machine. Compensation on this basis would, of course, be far more costly for the State than simply buying up a proportion of the banks' shares...

Such a development, coming on top of the public right to select a majority of the banks' governing bodies, would amount to de facto nationalisation—a solution which not even the Government has advocated. Basis for the "reform" where the commercial banks are concerned, is the report of a Royal Commission which spent nearly two years studying the way Norway's present banking system works. Paradoxically enough, the report rejected many previous criticisms of the system and concluded that on the whole it worked well—a fact which Norwegian bankers never tire of pointing out. The Commission's mandate was, however, to find "organisational solutions" which would give democratically-elected assemblies a decisive influence on the make-up of the commercial banks' governing bodies (the "representative" committees which appoints each bank's managing board). A minority of the Commission felt public interests would be adequately represented if three-ninths of the banks' representative committees were public appointments, with one-ninth appointed by employees and the remaining five-ninths by shareholders. This would have left shareholders with majority control of the councils, thus eliminating the need for any State take-over of shares. It is this solution which the Norwegian

Bankers' Association advocates. The Commission's majority decided, however, that the proportions should be reversed, with only three-ninths of council members to be appointed by shareholders. The Government's Bill is based on the majority recommendations. There is another aspect of Government policy which is causing growing concern among Norway's bankers. This is the tendency to allocate an increasingly important role, in the overall credit market, to the numerous State banks. These lend State funds—usually on rather favourable terms—to particular sectors such as housing, fishing, agriculture, industry and local government. Each time the Government wants to squeeze credit, it puts a brake on lending by the private banks—normally by raising primary reserve requirements. It raised them by one per cent in January last, and a further one per cent increase is being widely forecast to take effect from May 16 next. (Banks in north Norway have for the time being been exempted from these requirements, because of the region's special economic problems.) The recent incomes settlement requires the Government to hold down price increases during the coming year, and inflationary pressures

in the economy at the moment are strong. While private bankers concede the necessity for curbing the total supply of credit in an inflationary situation, they resent the fact that the curbs usually fall first and hardest on private bank lending. Total State bank lending has in fact grown rapidly over the past couple of years, as part of the Government's anti-recession strategy. Credit supply from the State banks in 1977 has been set at Kr.9.2bn. (just over £1bn.), compared with Kr.6.5bn. from the commercial and savings banks together. When State bank lending is allowed to expand, while private lending is curbed, the effect is to deprive the private banks of part of their livelihood. The Governor of the Bank of Norway, Mr. Knut Getz Wold, made it clear in a recent speech that he sides with the private banks on this issue. Meanwhile, despite a crop of unusually favourable annual reports for 1976, often accompanied by dividend increases, bank share prices have been gradually ebbing on the Oslo Bourse this year. The slight decline probably reflects general uncertainty about the economic outlook, as well as worries about the future of the banks if the Socialists are returned to power in September. F.G.

Brake

Each time the Government wants to squeeze credit, it puts a brake on lending by the private banks—normally by raising primary reserve requirements. It raised them by one per cent in January last, and a further one per cent increase is being widely forecast to take effect from May 16 next. (Banks in north Norway have for the time being been exempted from these requirements, because of the region's special economic problems.) The recent incomes settlement requires the Government to hold down price increases during the coming year, and inflationary pressures

Shipping

CONTINUED FROM PREVIOUS PAGE

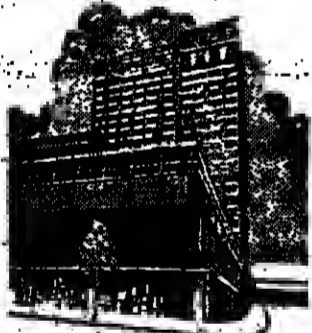
If Bergesen's decision is right, the article points out, "it means that today's 'knock-down price' for used vessels is very much their real market price. In view of the rapid pace of technological development, it is natural to ask what today's ships will be worth in the early 1980s when—according to the Guarantee Institute—they will become "profitable to operate." The Bergesen order has come in for some criticism in Norwegian shipping circles, on the grounds that every order placed now will prolong the current oversupply crisis in the tanker market. The company itself claims its move is more likely to encourage increased scrapping of obsolete, uneconomic and unsafe ships. It also stated that the order does not mean the company expects the tanker market to have become profitable again by 1979. Interestingly enough, the Guarantee Institute's manager, Haakon Nygaard, is among the defendants of the deal. An alternative to ordering new ships would have been for Bergesen to join the group which took over most of the Waage fleet—at one time the company was reportedly considering this. The decision to order in Japan would be better business for Bergesen, Nygaard told a Financial Times conference in Oslo last month. The company would get "cheaper, newer and more competitive tonnage." Taking over Waage's ships was also a good business proposition, he added, "but not so good as this one." "Sigval Bergesen is certainly not the only big shipowner in the world which has been toying with the idea of placing this kind of order," he commented. It was satisfying that a Norwegian owner had got in ahead of foreign competitors.

Meanwhile, owners and their creditors are having to live with the results of past mistakes. Of a tanker fleet totaling some 29m. dwt, 52 ships laid up early this month. The number looked like increasing as the slack summer season approached and rates continued to decline. Even the higher rates paid during the winter simply enabled owners to break even on running costs. There was, nothing left over to take care of interest and amortisation payments. For the other sectors of the fleet, the lay-up situation was considerably better. Three gas carriers were laid up, representing 10 per cent of total tonnage, five combined carriers (9.5 per cent) and only two dry cargo ships (1 per cent). Gross freight earnings by Norway's foreign-going fleet totalled Kr.16.6bn. in 1976 (Kr.16.7bn. in 1975). Costs rose faster than earnings, however, and net earnings by the fleet fell Kr.335m. to Kr.8.4bn. in 1976. F.G.

Contrast The success of Bergesen and some other Norwegian owners, contrasting so dramatically with the debt-ridden situation of others, has led to speculation in Norway about the whole management structure of the country's shipping industry. Ole Lund, a Norwegian shipping lawyer in his early 40s who has helped negotiate settlements between several companies in difficulties and creditors, believes that the industry's problems cannot be entirely attributed to uncontrollable, external factors. The decision-making process within certain companies has "not functioned satisfactorily," says Lund. Traditionally, Norway's shipping companies have been family concerns, and sons have followed fathers in management. Now, in several leading companies, a new pattern is emerging—a mixture of family succession and the introduction of professional know-how from outside. Lund believes this is "a very necessary development, which will create a better basis for the decision-making process, and clearer allocation of responsibility." Lund also believes that the days of bumper shipping profits during boom periods are at an end. Operating more cautiously, owners will have to accept lower earnings. And caution is vital with the large and costly ships that make up merchant fleets today. "One just cannot afford to make a



Forest-clad hills. Breathtaking, crystal-clear fjords: The Viking heritage. Hotel Scandinavia Downtown, just opposite the Royal Palace.



Near the National Theatre, the Palace Park. Relax in 500 large modern guest rooms and suites. 24-hour room service. The city's six finest restaurants and bars, including Holberg's. The Street Shop, for American hamburgers. The rooftop Scanorama Bar, for the best view of Oslo. The Guard's Pub. Norwegian delicacies in the Cafe Royal. And the Hotlands Nightclub. Heated indoor pool. Saunas, exercise room and solarium.

Call your travel agent, SAS or Western International Hotels, London, tel. no.: 01-629 8670-79

HOTEL SCANDINAVIA

WESTERN INTERNATIONAL HOTELS

OSLO Tel. No. (02) 11 30 00 Telex 19080

Nordic Bank logo and text: Nordic Bank for Investment and Expansion in the Nordic area and worldwide. You'll find us in London, Copenhagen, Frankfurt, Helsinki, Madrid, Oslo, Stockholm, Dubai, Hong Kong, Singapore, Sao Paulo and New York.

Nordic Bank Limited Head-Office: Nordic Bank Limited, Nordic Bank House, 41-43 Mincing Lane, London EC3R 7SP. Telephone: 01-626 9661-9. Telex: 887654. Singapore Branch: D B S Tower 2401, 6 Shenton Way, Singapore 1. Mailing Address: GPO Box 1769 Singapore 2. Telephone: 2206144-7. Shareholders: Copenhagen Handelsbank, Kansallis-Osake-Pankki, Den norske Creditbank, Svenska Handelsbanken. If you would like a copy of our report on the background to investment in Scandinavia please write to: P D C Eley, Manager Corporate Finance Department at the above address.

It is only natural that Storebrand

is a household name in Norway. After all—it has been the leading private insurance company since it was founded more than 125 years ago.

Not so many in Norway know that Storebrand also plays a substantial part in the world of international insurance and reinsurance.

Through Storebrand International Re, through subsidiaries and branches in many countries, the Storebrand Group has been an important link in the chain of international risk distribution since the beginning of this century.

Today, the Storebrand Group sells insurance services for about £150 million per year, nearly half of it outside Norway!

And it has the security to back it up.

Fly DAN-AIR To NORWAY

UP TO 18 DIRECT FLIGHTS WEEKLY

- LONDON (Gatwick) - KRISTIANSAND. Frequency increased to 5 flights weekly with BA1-11 aircraft. onward connections to BERGEN, STAVANGER and OSLO.
- NEWCASTLE - KRISTIANSAND. Frequency increased to 6 flights weekly. Domestic connections from Birmingham, Birmingham Cardiff and Manchester via Newcastle to Kristiansand and Bergen.
- NEWCASTLE - STAVANGER. 2 flights weekly with connections to and from Oslo.

Flower's motoring holidays. Together DAN-AIR and EUROPCAR offer Fly-Drive packages to Norway. Depending on how many people will be travelling, Flower's gives you from 7 to 14 days car rental (with unlimited mileage and full car insurance) plus your air ticket for a price lower than if you bought the two separately.

DAN-AIR Flies over two million passengers last year.

DAN-AIR Services Ltd.
33, Elizabeth Street, London SW1E 9ER
Telephone: 01-730 9681

NORWAY VII

Testing period for industry

NORWEGIAN manufacturing industry is experiencing a testing period of adaptation with both its own leaders and the Government looking for signposts to its future. Currently it is facing the double impact of the offshore oil development and the international recession which has weakened demand from its traditional export markets. In the near future it will have to go through a restructuring about which there is still considerable debate and uncertainty.

In its very first assessments of the effect of the oil discoveries on the Norwegian economy the Labour Government accepted the principle that

a viable "alternative industry" had to be maintained to provide both jobs and an industrial base for the time when the oil had run dry. In its latest long-term programme for the period to 1981 the Government expects to keep employment in industry at the present level of just under 400,000.

The achievement of these targets will involve such basic issues as the limits on the traditional raw material supplies, the unresolved debate over energy policy, the inflationary effect of oil income and the way in which a future abundance of investment capital is to be channelled into industry. At present only about 10 per cent of Norwegian industry is State-owned but the State will become the primary source of new capital for Norwegian companies.

Under its present leadership the Labour Party is unlikely to start an extensive nationalisation programme but it would certainly use Government control of investment capital, probably channelled through the State banks, to exercise direction over industry. The Opposition would favour free market principles and possibly the development of a free domestic capital market but the differences among the three main Opposition parties could prevent the formulation of a clear-cut industrial policy. In any event Norwegian industrialists are waiting with excitement for the outcome of the September general election.

For the time being they are preoccupied by the lead in unit production costs over the past three years, low earnings and the financing of substantial unsold stocks of finished goods. The Minister of Industry, Mr. Bjartmar Gjerde, recently calculated that the Government had provided between Kr.3.5bn. and Kr.4bn. in support for industry during 1976 and the opening months of this year, in order to keep the wheels turning and to maintain employment. This figure covers State guarantees and other support measures as well as direct disbursements.

A large part has gone in the form of guarantees to the shipbuilding industry, but the pulp and paper mills have also benefited. If oil and power production are left out, industrial production in Norway still rose by only some 1.4 per cent last year, which means that output was running about 1 per cent below the 1974 level. Omitting oil, production of export goods rose by just under 3 per cent.

Hardest hit by the continuing international recession were the paper and pulp and steel sectors with the slump in steel also affecting demand for ferro-alloys, one of Norway's specialities. The depreciation of sterling in particular helped keep paper and pulp prices below a profitable level.

Tough

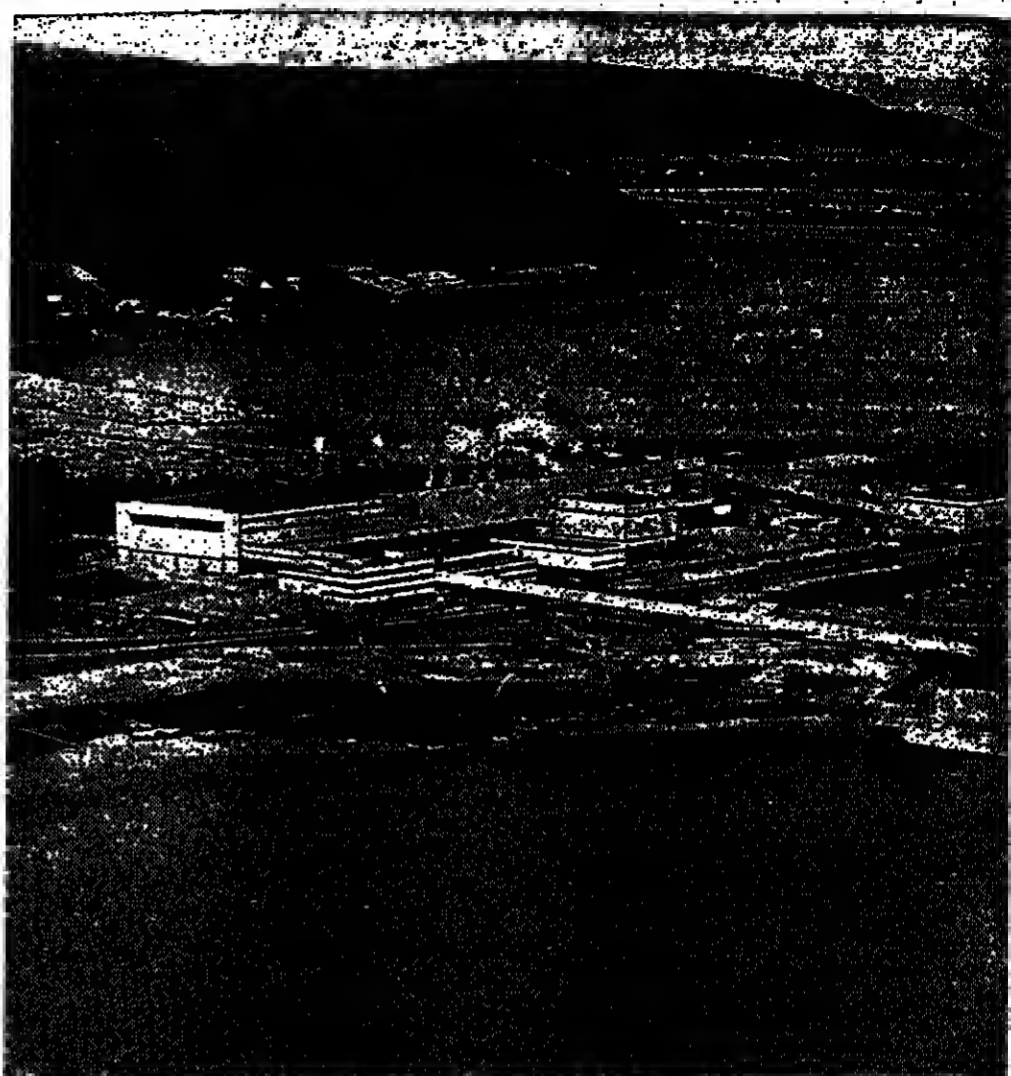
Aluminium, one of the main pillars of Norwegian industry, did considerably better last year, with output, prices and exports all rising substantially. Curiously enough, the textile industry too increased its exports to some Kr.800m. or around one-third of its total output, an illustration perhaps of the tough restructuring it has gone through.

The Federation of Norwegian Industries believes there was no growth at all in industrial investment in 1976 and expects the stagnation to continue this year. The factors inhibiting the will to invest are the low level of capacity utilisation, the present situation and high unit costs. The Federation calculates that unit labour costs in Norwegian industry have risen faster than those of any other country over the past 13 years and now lie second only to Sweden's.

This situation highlights the question of what is to happen to Norwegian manufacturing industry during the oil era. At present the pressures on the companies are extremely heavy. They earn too little money and try to stretch their earnings too far. They work with low liquidity ratios and their capital/debt ratios average well below 30 per cent.

The real investment level, based mainly on borrowed capital, has always been relatively high in Norwegian industry and it can safely be assumed that, in order to compete from a high-cost basis and with a strong currency, it will in future have to concentrate with the help of the oil revenue on capital-intensive operations. The raw material and energy factors will largely determine the type of operation.

A petrochemical complex is already being built at Rafnes and the Mongstad refinery is being expanded. The availability of the offshore oil will open the way for further investments



The Nordenfjelske Newsprint Mill near Trondheim.

both abroad and at home. In other fields the raw material situation is restrictive. This is particularly so for the fish processing industry for which the limit of the new 200-mile fishing limit the need to conserve depleted fish stocks will limit supplies—and also for the timber and paper and pulp business.

Norway produces some 1.4m. tons of paper and board in a good year, exporting about 70 per cent. About 750,000 tons of pulp is made, with 35 per cent going abroad. In recent years the industry has imported considerable amounts of wood and pulp, largely from Sweden, but there is little chance of maintaining this supply, let alone increasing it. In the short term at least domestic timber output cannot be raised.

Both the raw material situation and tough environmental regulations will compel a concentration of the mills into fewer and more effective units. The 250,000-ton Tuffe project in Oslofjord, for which the Government has just given the green light, points the way.

Aluminium, based on the supply of cheap hydro-electric power, was the kernel of the Labour Party industrialisation programme in the post-war period. Total capacity to-day is close to 700,000 tons a year and the improvement in demand and prices last year put the companies back into profit. Norway is the largest producer of primary aluminium in Europe.

However, an argument which has developed over hydro-electric power puts aluminium into the balance. The conflict is between environmentalists and academic economists on the one hand and industrialists on the other. The environmentalists want to preserve the natural splendours of the Norwegian mountains. The economists argue that it would be more logical to charge a proper market price for the power produced and to export it rather than to subsidise aluminium production.

The industrialists point out that aluminium manufacturing provides jobs while exporting power would not, and that it is better to export energy in solid form. Aluminium also offers a continuous, 24-hour-a-day demand to the power stations. It would also be possible a high-cost country with a

economically to double the present output of 70 TWh of hydro-electric power and, even allowing for the sharpest environmental objections, a further 50 TWh could be built up, it is argued. Aluminium is also important in that it is the economic foundation for several local communities which would otherwise cease to exist.

The Government which has just extended its holding in Aaral og Sunddal, the largest producer, to 75 per cent, will determine the industry's future. It holds a controlling interest in Norsk Hydro, one of the two other main manufacturers, leaving only Elkem Spigerverket's Lista plant in private hands together with a small Alusuisse plant.

Input

The Government's new long-term programme suggests there is little room for expanding output of primary aluminium. All the companies are researching energy-saving methods, production of semi-fabrics is being extended and some companies are moving into casting. Elkem Spigerverket has bought a foundry in Sweden and has moved into finished aluminium products. To remain competitive, the industry will require a heavy capital input and in the long run will have to develop completely automated production lines.

There is little doubt that energy-based manufacturing, including magnesium, fertiliser and ferro-alloy production, will continue to form an essential part of Norway's export industry but the restrictions on expansion are likely to force it into new channels. The process has already started. Elkem, for example, one of the world's largest producers of ferro-alloys and electric smelting furnaces, has built a proper market price for the power produced and to export it rather than to subsidise aluminium production.

Holland and is investing in a new ferro-silicon plant in Iceland. Elkem - Spigerverket also illustrates the other major drive in Norwegian industry, the development of specialised skills and of the knowledge-based manufacturing typical of

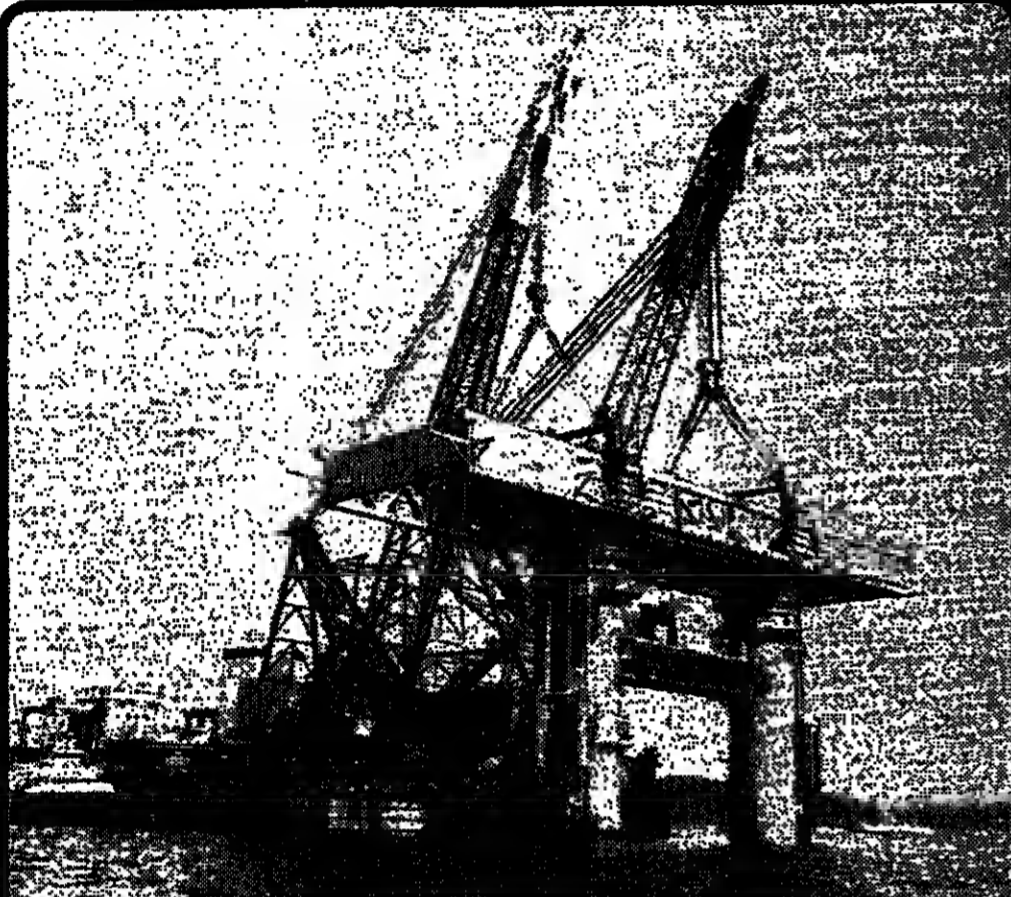
limited raw material base. The Kvaerner engineering group, for instance, one of the few Norwegian companies to improve earnings last year depends largely on the innovative ability of some 850 engineers. It produces a wide range of specialised products connected with hydro-electric power production and shipping including turbines, pumps, shore anti-pollution equipment and gas ships.

Kongsberg Vaapenfabrikk State-owned in contrast to the wholly privately-owned Kvaerner Group, shows similar development and prospects. From ammunition and weapons manufacturing it has expanded into gas turbines, electronic navigation numerical control systems and data processing equipment as now exports well over 70 per cent of its output. It has just won a contract worth over Kr.1bn. to produce gas turbines for the General Dynamic F-16 fighter ordered by four NATO countries.

All these companies have moved into manufacturing based on raw material or cheap energy—in other words, in fields where they have a natural advantage and the ability to exploit technological skills. It is partially limited high cost levels. Viewed objectively, the natural course would seem to be for more of the to follow Elkem-Spigerverket example and invest in production abroad, but such a development depends on government policy and future use of oil revenue.

Electronics and electro-technical machinery is another area in which the Norwegians have been trying to develop an alternative industry, but with mixed results. At present a co-ordination agreement is being worked out among Kongsberg Vaapenfabrikk, Tandberg and Elektrisk Byraa, the telephone equipment producer, in which the Swedish L. M. Ericsson is being persuaded to reduce its holding from 46 to some 25 per cent. Elektrisk Byraa recently too specialised in radio lines and marine equipment. Despite some individual successes the viability of a Norwegian electronics industry has yet to be proved.

W.D.



For more than a dozen years Brown & Root has helped to bring North Sea gas and oil ashore: we are proud to be associated with Norwegian Offshore Development.

Brown & Root Norge A/S
Børehaugen 1, 4000 Stavanger



Brown & Root (UK) Ltd
Brown & Root (UK) Limited and Associated Companies
82 Pall Mall, London SW1Y 5HH
Telephone: 01-839 3456

European Banking Company Limited

40 Basinghall Street London EC2V 5EB Telephone: 01-638 3654 Telex 8811001

- Foreign Exchange
- Eurocurrency Deposits and Loans
- Project Financing
- Capital Issues
- Investment Services

Member Banks

- Amsterdam-Rotterdam Bank NV
- Banca Commerciale Italiana SpA
- Creditanstalt-Bankverein
- Deutsche Bank AG
- Midland Bank Limited
- Société Générale de Banque SA
- Société Générale (France)

NORDISK ALUMINIUM A.S.

HOLMESTRAND, NORWAY

Member of the A.S.V. Group

Manufacturers of high quality aluminium products including roll-bond evaporators for refrigerators and deep-freezers.

NORDISK (U.K.) LTD.

Glasgow, Scotland. Tel: (041) 959 2250

Telex 77 9145

10/100 1250

A critical poll for confused Israelis

BY RICHARD JOHNS, Middle East Editor, Tel Aviv

ISRAELI VOTERS are more perplexed than ever before, as they go to the polls for the country's ninth most critical general election yet. Faced with the uncomfortable choices which a armed peace initiative in the Middle East would pose—equally or more preoccupied with the apparent potency of the political momentum and social problems the nation is politically divided.

The electorate, as a whole, is determined to achieve a settlement in many ways. Retention of occupied territories and peace with the Arabs, a drastically increased level of inflation and a continuing rising standard of living together with social services and economic self-sufficiency for the country. Disillusionment with the Labour government which in one form or another has been predominant in every administration since 1948 has continued to grow but there seems little alternative to it in the next election.

The voters have not been helped by the absence of constructive debate and the mudslinging campaign in which attacks on opposing personalities and parties have become a major feature of the campaign. The uncertainty of the electorate has been shown by the unprecedented number of people entitled to vote who have voted until the last moment, more making a last-minute decision. The result of an Israeli election has never been so difficult to predict. But at least some

TODAY'S PARTY POLITICAL LINE-UP

Parties	1973 election seats	% votes (rounded up)	1977 election seats	% votes (rounded up)
Labour-Mapaam	56	46	51	39
Alignment	4	3	3	2
Arab List (affiliated to Labour)	4	3	3	2
Likud* (Gahal, State List, Free Centre)	26	21	39	30
Liberals	2	1	1	1
Mer Religious Party	4	3	4	3
Torah Front	12	10	10	8
Agudat Israel	2	2	2	2
Agudat HaTorah	2	2	2	2
Cholim's Rights	1	1	1	1
New Communist List	3	2	4	3
Others	3	3	1	5

* Formed a merger in September, 1973. † Formed a merger for the Dec. 1973 elections.

Israel's political and economic fortunes for the worse that it inevitably damaged Labour.

Three years ago, Mr. Yitzhak Rabin assumed the leadership of the party as the nominee of the party establishment. But he was ousted by the October War and was replaced by a fresh face on a tired political scene. His conspicuous failure to provide firm leadership, to preserve coherent coalition unity and to evoke popular appeal before his resignation last month following exposure of the illegal bank account in the U.S. held by him and his wife. Compared with the scandals caused by the conviction of Mr. Asher Yadin, his nominee for the government of the Centre Bank, and the suicide of Mr. Abraham Ofer, the Housing Minister, following allegations of embezzlement, his

been much less serious than might have been expected. Narrowly defeated by Mr. Rabin in the contest for the Labour nomination in February he took over the leadership too late in the day to have much say in the selection of candidates or in the planning of a somewhat disorderly campaign. However, which has given Israel a nasty surprise, Mr. Peres is probably the country's most subtle politician. Immeasurably more attractive to a wide electorate than his lack-lustre predecessor, he may save Labour half a dozen seats which Mr. Rabin would have lost.

In the event, the left-wing Mapam Party did not fulfil its threat to pull out of the alignment if Mr. Peres became Leader. At the other extreme Mr. Moshe Dayan, who retains magnetic power for many, ended his flirtation with the Likud and accepted sixth place in the list on receiving an assurance that a Labour Government would not part with any of the West Bank without calling a new general election.

Before Mr. Peres took over the leadership it had been decided to give priority to foreign policy rather than the economic and social front where Labour as the main repository of power for so long has been so vulnerable. The campaign has projected the party's experience in dealing with the U.S. its claim to be the only one able to cope with a renewed American initiative and by implication, the best prospect for thwarting pressure for a settlement on terms unacceptable to the Israeli consensus. Conversely, it has pictured the hawkish Likud as a party which would create deadlock with Washington and make war with the Arabs a probability.

Without doubt this strategy

has met a set-back from President Carter's "open-mouth diplomacy"—which has revealed some of his thinking about the essential elements of a settlement, particularly the need for a Palestinian homeland and almost complete Israeli evacuation of occupied territories, and which has given Israel a nasty fright. By reducing the credibility of Labour's claim to exclusive access and influence it must have accounted for some of the apparent gains made by the Likud in the past few weeks. However, President Carter's decision last week to recognise the "special security relationship" with Israel may have repaired some of the damage and, helter-skelter, have been intended to help the candidate whom the U.S. most wants to succeed.

The Likud, by contrast, has been anxious to divert the debate away from territorial and security issues because it is well aware that its intransigent line and insistence on "not an inch" of withdrawal, if emboldened, could frighten voters. Its policy states explicitly that there should be no withdrawal from the West Bank. Mr. Menahem Begin, the veteran leader of the Likud, his colleagues, Mr. Ezer Weizman and his supporters have all limited themselves to the argument that Labour's stated willingness for concessions can only encourage U.S. pressures, and Arab demands, for greater concessions.

The Likud's concentration has wisely been on domestic issues. It is more laissez-faire than Labour in its approach to economic problems—giving the impression that it would be tougher in attacking inflation, wasteful use of labour and other structural faults.

Mr. Begin and the right-wing

Letters to the Editor

Top rates of income tax

Mr. C. Beattie, QC.
On Mr. Pardo's suggestion (May 13) that no one should be taxed more than 50 per cent of earned income in tax, the rate of income tax on taxable earned income of a single person would have been as follows:

Rate of tax	Income
35	£5,000
40	£5,500
45	£6,000
50	£7,500
55	£8,500
60	£10,000
65	£12,000
70	£15,000
75	£18,470

It is not clear why the table goes at £18,470. It is that a person earning £18,205, on which a deduction of his personal relief of £735 would produce a taxable income of £18,470, would pay tax of £10,250, which is half his income. I am sure that the above table will be applauded by all sensible people.

Pensions clawback

From Mr. D. Holland
Sir—As a member of the staff of the Standard Chartered Bank and of the National Union of Bank Employees, I write with reference to your report (May 13) of action being taken over pensions clawback. Existing provisions for pensions clawback exist at Lloyds, Barclays, Midland and Williams and Glyn's. My understanding of the situation is that, while the rules of the pension funds of Midland Bank and Williams and Glyn's have been amended to allow its intral rates would run between 75 per cent and 75 per cent, compared with their more fortunate colleagues, earning at least £18,205, whose pension rate would be only 50 per cent, or married couples, children who would suffer at a pension rate of 75 per cent, a figure of earnings much in excess of £18,205, but such trades could be disregarded.

Transport sense

From the Honorary Secretary, London Area, Railway Development Association.
Sir—Having just read your summary (May 13) of the Select Committee's report on the role of British Rail in public transport, it remains to be seen whether its recommendations find their way into the forthcoming White Paper. As much of the evidence submitted to the Select Committee will have been identical with that submitted last year in response to the transport policy consultation document, it would be logical to assume that the White Paper will reach similar conclusions. Unfortunately the track record is otherwise as frequently conclusions and recommendations by Select Committees on public transport matters have been disregarded. We are in your leader you refer to the recommendation to write off the remaining £250m. capital debt. Surely it would be more appropriate to increase the capital asset figure of BR to the level and to waive interest charges so that at least BR's capital structure would reasonably reflect the capital assets involved. Such move would follow the lead given when arranging British Steel Corporation's capital structure by the creation of public equity capital. This would then allow a realistic depreciation charge to be established on the basis of replacement values.

Live and let live

From Mrs. V. Cox
Sir—You normally give to voicing my opinion in print, but I do feel very strongly about the row going on in connection with Mr. Peter Jay.
I am not a Labour supporter, but I do feel it is grossly unfair to harp on about Mr. Peter Jay's family connections and interfering that this is why he has been appointed British Ambassador to Washington.
In the same way that this would be the wrong way for him to get the post, surely to harp on about an individual's family connections and interfering on the basis that he has a relative in Parliament (regardless of the position), is equally wrong.
Give the poor chap a chance to prove himself his way or the other, and an individual's family connections and interfering on the same bases as any other individual, without jeopardising either his own or his family's interests.
I also feel that to launch a smear campaign, by any party, either by a chance remark being blown up out of proportion or by anyone trying to justify the appointment, is not only misleading and petty, but it is also degrading to those involved.
Valerie J. Cox
53 Fairgreen Road, Caddington, Nr. Luton, Beds.

Burmah and the Government

From Mr. A. Mackay
Sir—In his Budget Mr. Healey said that the Government will sell part of its own holding in the expectation, based on strong legal advice about the merit of the Burmah claim, that we shall in due course be able to consolidate the 51 per cent holding by securing the transfer to the Treasury of the stock now held by the Bank.
To the layman this might seem an almost contemptuous prejudging of the case, which is the job of the Courts. But suppose that Burmah, which has been assured by learned counsel, should win the case and the Bank is ordered to return its 30 per cent holding of BP shares against payment of £175m. cash, what then?
If the Government does not want to end up with only 31 per cent, will it not have to offer Burmah a very fancy sum in liquid, well above the then market price, to secure them? And if the Government at present feels it worth holding on to 31 per cent of the BP capital, as a sound investment for the future, what is all this panic to sell now rather than make sure by awaiting the outcome of the case?
Should the Government end up with only 31 per cent, the British public might not be too pleased with it, for having gambled on a "racing certainty" and lost.
A. G. A. Mackay
37 Park West, Dublin 4, Ireland.

Bank staff cation

Mr. P. Griffin
I refer to your report of an action by a minority of National Union of Bank Employees members of the United Kingdom staff and particularly to the comments by Mr. Gambia, the union's joint secretary.
I have prepared a draft letter to all members of the bank and state pensioners on pensions, the bank does not have negotiating to do, of courtesy, sent a copy of draft to the union before their meeting. Our union branch called a meeting of members on April 14 before any action was taken. The bank and in the open remarks at that meeting the director of the discussion towards industrial action members had a chance to express the declared reason for meeting, the partial integration of the bank and state pensioners. Our branch secretary not deny this and seeks to justify the action by saying that dilution did not help at all. Barclays and other banks of whom have already received integration for existing would, therefore, question Gambia's remarks that the members who had taken several abortive consultations with the Bank any member who attended meeting of April 4 and read questionnaire in which we asked if we were satisfied with the bank's industrial action, must realise that our union saw a last ditch effort to prove members in other banks that action was the only effective way of achieving success.

Railway manning

From the Editor, Railway Gazette International.
Sir—If in your own words "the decline of the railways has long passed the point where the system's earning capacity became insufficient to enable it to meet the cost of its own replacement" (May 13) it is hard to see why you reject a strategy based on raising both productivity and revenue in favour of further cuts in services.
With some 40,000 men already redundant in all but name, the immediate effect of any cutback in services must be to reduce productivity and revenue still further. Of course, if you assume that the unions will allow BR to shed staff through closures but not by negotiating cheaper methods of working, then you have a case. But to applaud Anthony Crossland for seeing no options other than closing down lines or raising the subsidy when faced with incontrovertible evidence that BR's wage bill is already some £150m. a year larger than it need be seems positively perverse.
It is really so surprising that massive gains in productivity achieved should enable the

The value of diplomats

From Mr. G. Mitchell
Sir—The somewhat unseemly wrangling about the merits of the present and proposed holders of the Washington ambassadorship may serve a useful purpose. It may focus attention on the whole question of the value of the diplomatic service as now constituted and employed. No doubt the pay and allowances of an individual British taxpayer, who is entitled to ask whether he is getting value for it.
How useful are ambassadors? Do large heavily staffed embassies serve a better purpose than providing outdoor relief for the less numerous products of the older universities? Might not much more modest establishments carry out all the essential functions of protecting British

To-day's Events

GENERAL
Mr. Denis Healey, Chancellor of the Exchequer, is principal speaker at Confederation of British Industry annual dinner, Dorchester Hotel, W.1.
Mrs. Shirley Williams, Education Secretary, addresses Industrial Society New Action lunch on "Education and Industry", Carlton House Terrace, SW1.
Index of industrial production for March published.
The Queen and Duke of Edinburgh begin Jubilee Year tour of Scotland with visit to Glasgow.
Prince of Wales visits Isles of Scilly, Appledore, Exmouth and Tavistock.
Economic Ministers and Agriculture Ministers end two-day meetings, Brussels.
Talks on new Anglo-U.S. civil aviation agreement continue.

Israeli general election.
Mr. Roy Hattersley, Prices Secretary, speaks at Evening Newspaper Advertising Bureau lunch, Connaught Rooms, WC2.
Mr. Gordon Richardson, governor of Bank of England, and Mr. Christopher McMahon, its executive director, concerned with overseas interests, on week's courtesy visit to Russia at invitation of chairman of State Bank of USSR.
Sir Robin Gilleat, Lord Mayor of London, holds Jubilee Flag.
HMS Belfast at Tower Bridge to signal opening of London Celebration Committee's river programme, noon.
Machina Tool Trades Association annual meeting, Hotel International, W.1, 10.30 a.m.
Colonel Paul Neville, Principal Director of Music, Royal Marines, speaks on "Listening to Music", St. Lawrence Jewry next Guildhall, EC2, 1.15 p.m.
Chelsea Flower Show opens, Royal Hospital (until May 20).
PARLIAMENTARY BUSINESS
House of Commons: Second reading of Local Authorities (Restoration of Works Powers) Bill and of Control of Office Development Bill, Motion on EEC documents on energy policy.
House of Lords: Patents Bill, third reading. Redundancy Rebates Bill, second reading. Question on oil rig blow-out.

Select Committee: European Legislation (sub-committee 111). Subject: Doorstep selling. Witnesses: Office of Fair Trading; National Consumer Council; Mail Order Traders' Association of Great Britain; Finance Houses Association (10.30 a.m., Room 35, COFFMAN RESTAURANT, 10, Northwick and South-half-yearly, Facility Radio (full year), Furness, Wibby and Co (full year), General Accident Fire and Life Assurance Corporation (quarterly), C. E. Heath (full year), Whitebread and Co (full year).
COMPANY MEETINGS
East Rand Consolidated, 2.35, City Road, EC, 11.50, National Provident Institution, 48, Gresham Street, EC, 12.15, Scottish Northern Investment Trust, Aberdeen, 12.15, Unicorn Industries, Windsor, 2.30.

AIR FRANCE ADD

MANAUS

TO THEIR SOUTH AMERICAN NETWORK.

Now you can fly direct from Europe to Manaus, the capital of Amazonia. A flight leaves Paris every Friday at 14.00 and arrives at Manaus via Cayenne at 19.45 (local time) the same day. The return flight leaves Manaus at 20.35 on Mondays and arrives in Paris at 14.00 on Tuesdays. This additional route gives Air France an even more extensive South American network—all served by 747. Rio and Caracas are also served by Concorde. Ask your Travel Agent or Air France for further details.

156 New Bond Street, London W.1. Reservations: 01-499 9511. Ticket Office and Passenger Sales Department: 01-499 8611. UK Head Office and Administration: 01-568 4411. Manchester Reservations: 061-832 7831.

COMPANY NEWS + COMMENT

Assoc. Paper recovers to £0.79m. halftime

THE GOOD recovery fore- shadowed by the directors of Associated Paper Industries in March has materialised at the interim stage in the form of a turnaround from a loss of £18,874 to a profit of £78,812 for the six months ended April 2, 1977. This recovery is expected to continue.

The interim dividend is raised from 0.3p to 1.1p. The directors expect to be able to restore the dividend for the current year to a maximum permitted 2.8p. The final for 1976-77 was 1.5p having been cut from 2.6p in the previous year. Profits hit a peak in 1974-75, fell to £382,000 in 1975-76 and this was followed by a loss of £330,000 in 1976-77.

The directors point out that the 1976 half year loss included £120,780 relating to losses by Edward Collins, which ceased production on February 27, 1977. Extraordinary items in respect of that period of £15,733 also relate to that closure.

On Friday the company repaid the outstanding £247,868 nominal of the 8 per cent. Loan Stock at 98p per £100 nominal of the stock. This was paid out of existing resources.

The repayment was made because under the trust deed the total group borrowings were limited to three-quarters of aggregate share capital and reserves. While the present level of borrowings is comfortably within this limit, the increased demands for working capital resulting from the improvement in trading conditions are being reflected in greater use of the borrowing facilities available and had this limit remained the directors feel that it would have proved increasingly restrictive.

HIGHLIGHTS

French Kier has shown strong recovery with a £5m. turnaround in profits after amounts written off development land. The Borough of Sunderland is issuing £15m. of 12½ per cent. stock 1984-89 at 99½ per cent. and Lex also discusses the announcement of a £400m. Variable Bond Issue, full details of which will be announced later this month. Cosalt has brought forward its rights issue intentions following the news of an investigation by the Department of Trade inspectors; some £645,000 is being raised by way of a one-for-two issue at 30p, while a profits forecast of £1m. for the first half has been given. In line with other paper groups, Associated Paper has shown a marked recovery which has been bolstered by some reorganisation.

Increase for Cater Ryder

AFTER PROVIDING for rebate and tax, and transfer to contingencies, consolidated profit of all brokers and bankers, Cater Ryder and Co. increased from £1,066m. to £1,330m. for the year to April 30, 1977.

The net final dividend is 12.75p per a total of 17,300p (15,730p) should the ACT be reduced to 33 per cent., the directors intend to recommend a further dividend of 0.85p.

In November last year the directors reported a first-half loss, compared with a profit in the previous comparable period.

Harcros Inv. tops £0.52m.

SECOND HALF pre-tax profit of Harcros Investment Trust of £219,911, against £206,192—similar results were in prospect—lifted the year-end (to March 31, 1977) surplus from £451,787 to £526,111. It is pointed out that no dividend has been received from the subsidiary whose unconsolidated profits were £5,092 (£1,261). The figures also do not include any part of the special dividends payable on June 1, 1977 in the terms of the merger of Golden Hope although difficult. In any case, Plantations, London Asiatic API should exceed first half profits in the second half making a prospective p/e of below 7.7:1, while the yield is 11 per cent.

original vendors based on the "relevant profits" for 1976. Terms of the agreement have now been finally satisfied.

British Borneo advance

AFTER a mid-way standstill at around £438,000 pre-tax profits of British-Borneo Petroleum Syndicate moved ahead in the second half of the year to March 31, 1977 and finished £78,180 in front at £516,354.

Earnings per 10p share expanded from 8.2p to 9p and the dividend total is lifted from 5.489p to 6.037p with a final payment of 5.92p net.

The market value of investments at March 31 was £9.17m. compared with £7.99m.

	1976-77	1975-76
Dividends and Int.	394,144	439,261
Residual of invest. etc.	465,196	346,765
Admin. expenses	38,177	31,824
Exchange losses	87,373	61,898
Extraordinary expenses	1,710	1,710
Profit before tax	767,589	658,954
Corpn. tax	248,444	212,750
Net profit	519,145	446,204
Extraordinary debit	271,000	237,530
Available	248,145	208,674
Dividends	271,865	247,082
Carried forward	489,538	489,538
Expanding at connected with the offer by Consolidated Gold Fields to acquire all the issued share capital of the company.		

Pentland rise is £164,000

SECOND HALF profits from Pentland Industries show a rise of £104,000, to give £357,000 for 1976, compared with £193,000.

Present trading is satisfactory and provided the economic climate does not deteriorate, 1977 should be a year of further achievement.

The group specialises mainly in importing and exporting footwear and general merchandise, and in service fields with the accent on shipping and transport. Turnover in 1976 expanded from £7,17m. to £10,81m., with exports accounting for £1.5m. (£1m.) and overseas operations £2.9m. (£1.8m.).

Earnings per 10p share are shown at 3.06p (1.62p), and Treasury permission has been obtained to lift the dividend from 0.28p to 0.62p. The final is 0.41p.

	1976	1975
Turnover	10,810	7,170
Profit before tax	357	193
Corpn. tax	87	57
Retained	270	136
Dividend	136	136
Carried forward	136	136

Under the agreement regarding the acquisition of Amalgamated Shoe in May, 1972, a further and final issue of 250,291 Ordinary shares have been issued to the

First half upsurge by Crean

A SHARP rise in turnover from £4.66m. to £5.37m. resulted in pre-tax profits of James Crean & Co. jumping from £278,000 to £303,000 in the six months to December 31, 1976.

Stated earnings per 50p share are up from 4.59p to 6.77p and the gross interim dividend is raised from 3.75p to 4.25p. Last year's final payment of 7.5p was made from profits of £394,000.

Tax for the first half took its subsidiary to £139,000 leaving the net balance up from £129,000 to £233,000.

The company's interests lie in the bottling, distribution and wholesales of beer, the manufacture and distribution of mineral water and the distribution of electrical and industrial products.



Mr. J. C. S. Mott, chairman of French Kier.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre- sponding div.	Total for year	Total last year
Associated Paper	1.1	July 1	0.5	1.6	1.5
Brit-Borneo	3.99	July 7	3.63	4.04	5.49
Cakebread Robey	1.2	July 7	1.1	1.3	1.35
Chesterfield Props.	2.25	July 7	1.18	1.73	1.37
James Crean	2.88	—	2.53	3.38	3.35
French Kier	24.25	—	3.75	11.25	11.25
Harcros	0.5	—	0.05	0.5	0.05
L. Lipton	1.3	July 1	1.17	1.0	1.0
Messina (Transvaal) Int.	2.0	July 5	2.0	—	4.3
Pentland Inds.	0.41	July 19	0.21	0.6	0.28
Spooner Inds.	0.57	July 11	0.52	—	2.37
Young Cos. Inv. Trst.	2.1	July 6	1.9	2.3	2.9
Tongkah Barb. Tin Int.	19.23	July 8	1.60	—	18.82

Dividends shown per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § Gross percentage. ¶ South African cents throughout.

Record £1.5m. profit by Chesterfield Props.

AFTER BEING up from £0.39m. to £0.51m. at half-time, pre-tax profit of Chesterfield Properties and those of Ho's Wharf for which the group is a holding, during 1976. Turnover was similar at £3.5m. (£3.42m.).

Stated earnings are up from 6.22p to 6.53p per 25p share—net final dividend of 2.578p lifts the total to 3.578p. The previous year's 3.485p included 0.09999p for 1974. If ACT is reduced a corresponding increase in the distribution will be recommended.

Attributable capital profits of around £2m. net were earned of which about £0.4m. were overseas.

	1976	1975
Turnover	3,485	3,420
Property investment	2,965	2,967
Interest	397	153
Other activities	132	128
Outgoings	132	111
Share losses assoc.	179	178
Pre-tax profit	2,499	2,499
Taxation	861	147
U.K.	129	312
Overseas	732	135
Municipal interests	—	85
Attributable	1,638	1,022
Retained	1,638	1,022

Clarke Chapman Because it is not possible at this stage to reflect the financial impact of any of restructuring of the power plant manufacturing industry, the directors of Clarke Chapman consider it appropriate for the accounts to be prepared in accordance with the company's normal accounting policies on the basis of an ongoing business. In yesterday's report on the chairman's statement this was not made clear.

Anglo-Swiss on road to recovery In the second half of 1976, engineers, Anglo-Swiss Holdings achieved a turnaround from a loss of £126,247 to a taxable profit of £17,842. This left the loss for the full year at £55,158 compared with £29,247.

At half-way when reporting a deficit of £103,000 the directors said that they thought the downward trend had bottomed out. Yearly loss per 25p share is 1.47p (1.57p) and again there is no dividend. The last payment was a total 3.16875p net for 1974.

Turnover for 1976 advanced from £2.70m. to £2.85m. and tax took £41,534 (£32,340). The loss after extraordinary items was £38,164 (£40,901).

The directors report that the chairman's annual statement will outline measures being taken to restore profitability. During the current year the company's borrowings may approach £680,000 and facilities have been arranged with the company's bankers.

Stable pound could boost Ocean T & T

Sir Lindsay Alexander, chairman of Ocean Transport and Trading, told the annual meeting yesterday that if the pound remained stable there would be a "very substantial improvement" in attributable earnings over 1976.

He explained that in respect of future instalments of repayments of foreign currency loans, the group had already provided against losses which have not yet been realised and may never be realised if the pound were to appreciate before repayments. "This conservative treatment militated against our attributable profits in 1976 resulting in a net debit of £3.2m."

ISSUE NEWS AND COMMENT

Sunderland raises £15m. of stock

The list of applications opens this Thursday for an issue of £15m. of 12½ per cent. Redeemable Stock 1984 by the Borough of Sunderland at a price of 99½ per cent., payable at £10 on application, £40 on July 26 and £49½ on September 28. Proceeds of the issue will be used to replace temporary borrowings and meet authorised capital expenditure. Interest on the stock will be payable half-yearly on June 15 and December 15, with the first payment of £3,928 (less tax) per cent. due next December.

Applications must be for a minimum of £50 of stock on a £100 up to £1,000. Larger applications must be on the following scale: above £1,000 and up to £5,000 in multiples of £500; above £5,000 and up to £20,000 in multiples of £1,000 and

applications in excess of £20,000 in multiples of £5,000. Brokers to the issue are J. A. Scrimgeour. Prospectus Page 30 See Lex

APE DEBT

Amalgamated Power Engineering's rights issue document reveals that on April 30 the group had outstanding borrowings of £24.5m. On the other hand £2.5m. of short-term deposits amounted to £22,000.

Applications must be for a minimum of £100 of stock on a £100 up to £1,000. Larger applications must be on the following scale: above £1,000 and up to £5,000 in multiples of £500; above £5,000 and up to £20,000 in multiples of £1,000 and

MARSHALL'S—95.8%

Marshall's Universal issue of 1,375,000 shares on a basis of one-for-two at £1.45 has been taken up as to 93.82 per cent.

Cosalt raises £0.6m.

Cosalt, the Grimsby-based caravan and ship chandery group, is raising £645,000 by a 50 per cent. discounted rights issue. Terms of the offer are one-for-two at 30p a share and compares with a market price which rose to 14p on 15 May.

The Board states that in view of the possible uncertainty caused by the appointment of Department of Trade inspectors following the acquisition of Orbit Holdings, a subsidiary of Cosalt, the announcement of the rights issue has been brought forward. Originally the company intended to make an offer on May 24.

The issue is to provide working capital requirements for the recent acquisition of the assets of W. and J. Knox and to finance the making of £2m. of earnings, the present being experienced by the trading divisions of the group.

A forecast of first-half pre-tax profits to exceed £1m. against £899,000 is made and the dividend for the current year will be 3p a share, against 2.75p last year. Each trading division is operating more profitably than in 1976. "Referring to the inspectors' inquiries the group states that losses incurred by Orbit from the time of its acquisition in October, 1974, have already been disclosed, and nothing will be learnt that can detract from the present value of Cosalt either in relation to its assets or its earnings.

TILLING RIGHTS

The document relating to rights issue by Thomas Tilling raises £2.2m. on the basis of four-for at 80p per share at that on March 31 the company and its subsidiaries had outstanding debt of £110,450.

Park Lane upsurge to £343,000

For 1976 turnover of Park Lane Hotel advanced to £2.15m. and taxable profit surged ahead from £141,162 to £342,815.

The dividend is 42 (22.73) per cent., restoring it to about its 1972 level.

This time there was a £234,976 (£6,019) surplus on investments realised with the sale of the holding in Ritz Hotel (London) and Ritz Hotel Development Co.

Peak £3.4m. by Mappin & Webb

Retail jewellers and a smiths, Mappin and Webb, a subsidiary of Sears Holdings, created its pre-tax profit of £3.4m. to a record £3.4m. for year ended January 31, 1977. At half-way the figures were £2.8m. lower at £2.6m., compared with £2.7m. for the year.

For the year turnover advanced from £16.54m. to £21.19m. The company has "a clear status."

There's one London bank that really understands Eastern Europe

The Moscow Narodny Bank has the experience, the knowledge and the connections that are essential for East-West trade to flourish.

Moscow Narodny has been an integral part of the City of London since 1919 and today enjoys very close relationships with Central and Commercial Banks in the USSR and other East European countries.

The bank's unrivalled experience in the finance of East-West trade makes it the ideal choice for any company or organisation entering this highly important area of world commerce.

Moscow Narodny Bank
The bank for East-West trade
24/32 King William Street, London, EC4P 4J5
Branches in Beirut and Singapore
Representative Office in Moscow
TOTAL ASSETS EXCEED £1,200,000,000



DECLARATION OF DIVIDEND NO. 32

NOTICE IS HEREBY GIVEN that a final dividend of 7½ (3½ cents per share) has been declared in respect of the financial year ended December 31, 1976, payable to shareholders registered in the books of the Bank at the close of business on June 3, 1977.

The transfer books and register of members will be closed from June 4, 1977 to June 10, 1977, both days inclusive.

The dividend is declared payable in the currency of the Republic of South Africa.

Dividend cheques will be posted on or about June 22, 1977 to Shareholders at their registered addresses or in accordance with their written instructions.

In terms of the provisions of the Income Tax Act of the Republic of South Africa, non-residents' tax is payable and will be deducted from dividends.

By order of the Board.
A G J Koegelenberg
Group Secretary

Registered Office:
31st Floor, Trust Bank Centre, Heerengracht, CAPE TOWN.
May 16, 1977

AUSTIN REED

Austin Reed Group Limited

Mr. Barry Reed reports for the year to 31 Jan 1977

	1976/7	1975/6	% increase
Record year for sales	£31.3	£26.0	20.3
Pre-tax profit nearly doubled	£2.0	£1.1	76.1
Maximum permissible dividend increase	9.2	6.5	41.5
Proposed increase in capital investment	15.75	14.32	10.0
Further progress expected this year			

The principal activities of the Company are the retailing and manufacture of high quality menswear in the UK and Overseas.

Copies of the annual report can be obtained from the Secretary, Austin Reed Group Limited, P.O. Box 2, Thirsk, North Yorkshire YO7 1PF.

copy 1560

French Kier returns to profit with £3.08m.

MR A and bank write down £1.1m, compared with £m. French Kier Holdings has returned to profit with a 1976 tax figure of £3.08m, against a loss of £1.5m in 1975. The group's turnover rose to £23.3m, against £19.5m in 1975. The group's profit is the result of the underlying performance of the group's construction activities, which has improved since the underlying performance of the group's construction activities was reflected in the 1975 results. The group's profit is the result of the underlying performance of the group's construction activities, which has improved since the underlying performance of the group's construction activities was reflected in the 1975 results.

secured, should rise to £3m. in 1977. There is a continuing re-deployment of resources from home to overseas activities, he states. Mr. Mott recalls that in his interim statement for 1976, he reported that the group had offered early immediate repayment to the Department of Transport of the £1.5m drawn down in early 1976 from the convertible loan facility made available to W. and C. French (Construction) in 1975. This offer was made in October, 1976. In January, 1977, the Department indicated the probable conditions upon which it would accept early repayment. The matter of early repayment of these conditions at that time and the matter of early repayment remains the subject of further clarification and discussion, he adds. Basic earnings per 25p share are shown to be 1.6p for 1976 (8.5p loss), and in view of the improved trading position, a net dividend of 0.5p is being paid, compared with the previous year's nominal 0.05p.

An increased contribution was achieved by all construction companies operating in the U.K. The Robert Hartill Group maintained its strong performance and W. and C. French (Construction) contributed a small profit. The contribution from these essential activities was also an improvement. The group's development and property investment companies achieved a small trading profit before charging internal and external interest, a further write down in the value of development land, and extraordinary items. The group's development and property investment companies achieved a small trading profit before charging internal and external interest, a further write down in the value of development land, and extraordinary items. The group's development and property investment companies achieved a small trading profit before charging internal and external interest, a further write down in the value of development land, and extraordinary items.

Laporte in good shape —starts year well

WHILE THE current year has started well for Laporte Industries (Holdings) Mr. R. Ringwald, chairman, says that it is too early to judge how 1977 will finally turn out. He believes, however, that the group is in good shape to tackle the problems and grasp the opportunities. In the 33 weeks ended January 2, 1977 group pre-tax profits expanded from £4.28m to a record £15.35m. Much of the profit generated has arisen from the group's interests outside the U.K. either by direct exports or by manufacturing outside the U.K. so the results achieved hide the reality of a stagnant home market. On a CCA basis the profit would have been reduced by £5.5m. In the U.K. the volume of sales increased by only 8 per cent. while the volume of export sales from the U.K. expanded by 33 per cent and prices achieved were higher by 22 per cent. In Australia a big increase in the volume of overseas business led to an increase of 33 per cent in sales by volume. Virtually all the improvement took place in the second half when commissioning problems encountered earlier had been overcome. During the year the group authorised relatively heavy capital expenditure both in this country and abroad. A new percarbonate plant and a perborate extension in Warrington, and the expansion of the chloride titanium dioxide plant at Stallingborough are examples, says the chairman. Significant new investments have occurred or are in progress, on every one of the U.K. sites. These include various research and development to generate future technology have been made and are continuing to be made. These include various research and development to generate future technology have been made and are continuing to be made.

BOARD MEETINGS

The following companies have notified directors of Board meetings in the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY
 Interiors—Thomas Borwick, Stockholders Investment Trust
 Plans—Ayrshire Metal Products, Blockley, Bulmer and Lamb, Coppell, Pidelity Radio, John Foster, Furness Wilks, Hartwell, E. S. Heston, Field Bros. Investment Trust Corporation, McVail Group, Minby Partners, J. N. Nicholls (Vimto), Walter Ransome, Seccombe Marshall and Campion, Time Products, Whitbread.

FUTURE DATES
 Associated Engineers May 28
 Brown (Manchester) May 29
 Eason and Robbins May 31
 Management Agency and Music May 30
 Thaxted Investment Trust May 24
 Final
 Charles Capel and Leonard Jan. 1
 Energy Services and Electronics Mar 23
 Evans of Leeds Jun. 2
 Exchange Telegraph Mar 29
 Frith (W. G.) Mar 29
 Lawrence (W.M.) Mar 29
 London Provincial Investment Trust May 18
 Norwich Investment Trust May 24
 Selsby Investment Trust May 24
 Sommar (France) May 24
 U2B Mar 29
 United Engineering Industries May 29
 Wearwater Distributors and Trading May 29
 7 Annular.

Cakebread Robey slips to £0.4m.

BUILDERS' and timber merchants Cakebread Robey and Co., reveals a reduction in profits from £266,538 to £203,764 in the second half of 1976 to leave the full year's pre-tax total £27,111 off at £405,958. Earnings per 10p share amounted to 3.7p against 3.9p. The dividend total is increased from 1.35p to 1.5p net, with a final of 1.2p. The year's turnover amounted to £11.55m. against £8.17m. Net profit emerged at £187,515 against £194,821 after tax of £238,443 (£258,146) before extraordinary debits of £32,588 (£239,726).

Fly non-stop to South Africa



SAA's non-stop to Johannesburg is the fastest way to South Africa—every Monday, 18.15. Seven other flights weekly. Including the direct non-stop service to Cape Town. All with SAA's fast connections to 111 destinations in the Republic.

Comfort all the way



South African Airways Where no-one's a stranger

For full details contact your IATA travel agent or South African Airways 251/9 Regent Street, London W1R 7AD. Phone 01-734 9841. Waterloo Street, Birmingham, 021-643 9605. Hope Street, Glasgow, 041-221 2932. Peter Street, Manchester, 061-934 4436.

Further growth for Austin Reed

ALTHOUGH THE menswear in general is still not very buoyant Mr. Barry Reed, chairman Austin Reed Group, says that believes that the group should strive to do better in 1977. In the year-ended January 31, 1977, group pre-tax profits increased from £1.1m to £1.8m, turnover of £31.3m, against £27.5m in 1976. As a result of the group's improving performance and financial position, the directors have authorised an increase in capital expenditure for the next two years. A large part of this expenditure will be used to make the Regent Street store more attractive for the area and the directors are confident that the work can take place without disruption to trade. The year-end accounts also show that the group's expenditure on advertising has increased to £1,000,000, and in addition there was a further £750,000 (£50,000) authorised but unaccounted for.

in his first year's trading. Also the shop in Brussels has started to pick up with the loss effectively reduced since completion of the metro works. At home and abroad the group's immediate intention is to improve profitability of existing shops before seeking additional outlets. Harry Hall and Honorbit employed directly by the group, particularly Harry Hall where exports of riding wear now exceed 50 per cent of total sales. During the year the group experienced considerable problems with the shirt manufacturing business and its two factories in Ireland; as a result the company (Stephens Brothers) traded at a loss. One of the factories at Omagh is to be closed by the end of this month. At the year end cash showed an increase from £1.5m to £1.8m, £1.8m, while overdrafts declined from £1.5m to £0.8m, £1.8m, at Sackville Street, W., June 9 at noon.

three plans—a single premium bond for lump sum investment and two regular savings contracts—one for short-term and the other for medium-term investment. Investment on unit trust principles will be in U.S. dollar securities through the Inter-Dollar Fund with the investment strategy being decided by the company and managed on a day-to-day basis by The Bank of New York. The fund will invest in common stocks, treasury and Government bonds, or other fixed interest securities and in the Eurobond market, with the aim of achieving a steady growth in underlying assets. The current policy is to invest substantially in U.S. common stocks with good earnings and dividend records. The plans incorporate a high degree of flexibility. There are options for investors to continue the plan beyond the original term and to increase investment without evidence of health. Regular withdrawals can be made and the investor can encash part or the whole of his holdings. The death cover varies with each plan, but the life assurance element can be omitted if so desired.

MONEY MARKET

Bank of England Minimum Lending Rate of 8 per cent. (since May 12, 1977). Short-term fixed period interest rates tended to decline in the London money market yesterday. Discount houses buying rates for one-month Treasury bills eased 7 1/4 per cent, from 7 1/2 per cent, while the yield on three-month sterling certificates was 7 1/2 per cent, compared with 7 3/4 per cent on Friday. Day-to-day credit was in short supply, particularly towards the end of the month, as the amount of the advance given by the authorities was considered to be in excess of the market's requirements. Banks carried forward surplus balances from Friday, and Government disbursements were in excess of revenue payments to the Exchequer. On the other hand, there was a net market take-up of Treasury bills, and settlement was made of official sales of gilt-edged stock, there was a slight rise in the note circulation, and another adverse factor was the monthly adjustment of special deposits. The total help given by the Bank of England was moderate.

Phoenix moves into offshore market. By Eric Short. The Phoenix Assurance Company is entering the offshore investment market by establishing in Guernsey a wholly owned subsidiary Phoenix International Life Assurance Company. The aim is to cater for the needs of three broad-based categories of overseas investors: the British expatriate, the expatriate of other countries, and the overseas national who can invest outside his own country. The company will be offering

EUCALYPTUS PULP. The directors of Eucalyptus Pulp Mills announce that the dividend due to the company from the operating subsidiary in Portugal in respect of 1976, has now arrived. A further announcement as to payment of the company's own dividend for 1976 will be made as soon as certain formalities have been completed.

Change of Address

McLeod, Young, Weir International Limited
 (wholly owned subsidiary of McLeod, Young, Weir & Company Ltd.)

are now at
10 Aldermanbury Square
London EC2V 7BA

Telephone: 01-606 9421 Telex: 889283/4/5/6

How much of Tarmac isn't tarmac?

82%

Our name is part of the English language, it means everything from roads to runways. So it may come as a surprise to learn that making and laying road surfacing materials in the UK represents just 18% of sales. 82% is in other construction activities. And this is where our developing strengths lie.

In the 700 or so building and civil engineering projects we work on every day at home and overseas.

In the manufacture and laying of waterproofing materials for the construction industry, where we're the biggest in Europe.

As the third largest private house builder in the UK.

When you see our name, look beyond the surface. You'll find that we're probably the most soundly based international construction company in Western Europe.

Tarmac

Big in construction. Rich in resources.

BANKS DEBATE/Broadsheet No.1

DO YOU CARE WHAT BANKS DO WITH YOUR MONEY?

Did you know that there's a proposal to nationalise the four main clearing banks—Barclays, Lloyds, Midland and National Westminster?

That's what the Labour Party's National Executive Committee (NEC) recommended last August in a pamphlet called "Banking and Finance".

The Government and the Prime Minister are against bank nationalisation.

The third proposal, to nationalise the banks and the insurance companies, is the one that the Government cannot accept.

Mr James Callaghan, Blackpool, 24 Sept. 1976

Even so, the proposal was passed at the 1976 Labour Party Conference.

LENDING TO INDUSTRY

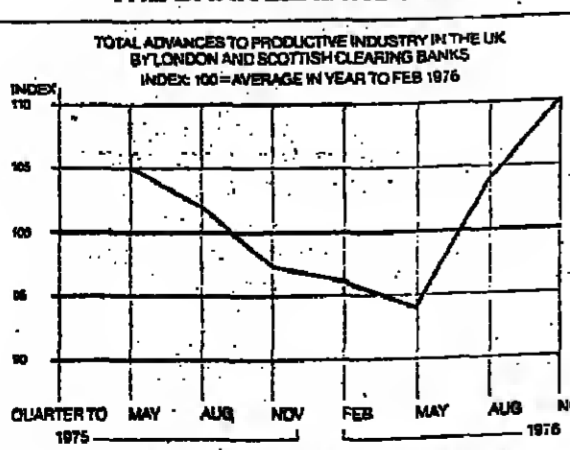
The whole question of nationalising British banks is a very important one because it affects everybody's money one way or another. We, the banks listed below, therefore believe that it is a matter for public discussion.

To open the discussion we would like to examine here just one issue raised by the NEC: how much banks should lend to industry. But we'd also like to know your opinions. So please let us hear your views, whether you are for or against bank nationalisation.

CAN WE MAKE INDUSTRY BORROW?

The NEC—through publicly-owned banks—hopes to double the amount of money that banks lend to industry over the next ten years. They say that manufacturing industry has "grown anaemic" as a result of its poor investment record. And nationalised banks, they argue, could get this money flowing.

THE BANK LENDING INDEX



But could they? By the end of last year, the London and Scottish-clearing banks had loans out to manufacturing and productive industries of over £6,500 million.

But this is not the whole story. Manufacturers have actually taken less than half the money they know to be available.

WHY WON'T INDUSTRY INVEST?

Most industries say that the trouble is not lack of funds at all. The CBI, which runs a regular survey of manufacturers, reported in April 1977 that only 3 per cent said they were held back by shortage of external finance.

This was confirmed by the National Economic Development Office. Despite some criticism of financing arrangements, its report in 1975 concluded:

In general, companies did not see themselves as having been constrained in their investment by lack or cost of finance.

The clue lies, we believe, in another NEDO finding: "... uncertainty about the future is likely to remain as a major constraint on investment."

We want to lend: it is a vital function of banking. And better returns on investment will encourage borrowing. But in the meantime, we can't force money on people.

ARE WE TOO CAUTIOUS?

The money we're being asked to lend more generously actually belongs to our many millions of depositors. So we tend to

lend to creditworthy individuals and to well-managed companies.

But the NEC implies that we're too cautious. We think otherwise. Companies which borrow money from us must stand a good chance of making their investments pay. Otherwise they might not be able to repay the loan, let alone the interest. Then everybody loses.

FACT

The pre-tax rate of return on capital employed in British industry—in real terms—fell from an average of 10.8 per cent in the 1960s to an average of 6.5 per cent in the first half of the 1970s.

Bank of England Quarterly, March 1976.

WOULD NATIONALISATION HELP?

We suspect that the lending policies of a nationalised bank could be guided by

political rather than by financial considerations. Otherwise, why nationalise?

There could be a temptation to see the banks as a cheap source of finance to support weak industries.

Could a Government minister (rarely in the same office for more than two or three years) provide the vital consistency in lending policies that industry needs?



"WE HAVE WAYS OF MAKING YOU BORROW"

We are as anxious as anyone else to improve Britain's economy. But we believe that we can contribute to it more effectively as bankers than as State employees.

PUBLIC DISCUSSION

This is our point of view. But what do you—whose money we lend—think about it?

Should banks take more risks? Should lending policies continue to be decided by professional bankers? Would nationalisation lead to better and quicker decisions about lending?

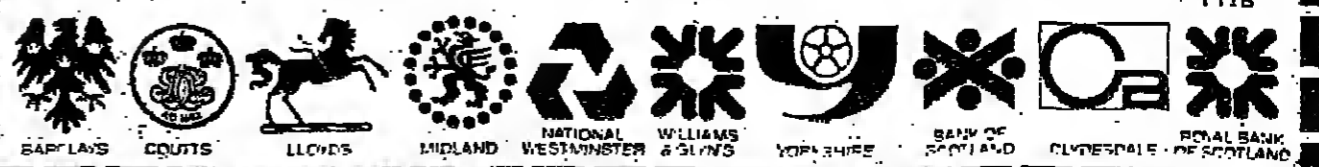
Please tell us your views. We may not be able to answer every coupon or letter received, but please write just the same. It will increase our understanding of public opinion on this important issue.

NOW TELL US WHAT YOU THINK

You can write your comments on this coupon alone, or enclose it with a letter. Address your reply to THE BANKS, 10 Lombard Street, London EC3V 9AP. Or deliver it to any branch of any bank listed below, in an envelope marked "The Banks Debate."

Name _____ Address _____

THE BANKS





A.N.Z. GROUP HOLDINGS LIMITED

(Incorporated in the State of Victoria, Australia with limited liability)

HOLDING COMPANY FOR AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Half-Yearly Profit and Dividend

The directors of A.N.Z. Group Holdings Limited announce an unaudited, consolidated profit after tax, excluding extraordinary items, for the half-year ended March 31, 1977 of SA21,816,000. This is an increase of SA 4,580,000 or 26.6 per cent. compared with the previous corresponding half-year.

After extraordinary items, the consolidated profit for the half-year was SA22,483,000 compared with SA18,311,000 for the 1976 half-year.

Details of the consolidated result for the half-year ended March 31, 1977 are set out below.

The directors have declared an interim dividend of 8c. a share for the year to September 30, 1977 (1976—4.7 pence net, equivalent to gross rate of 7.23%). It is payable on July 8, 1977 to shareholders registered in the books of the company at the close of business on June 13, 1977.

Dividends payable to shareholders on the London and Wellington registers will be converted to local currency at the appropriate rate for telegraphic transfers on June 13, 1977 and transfers must be lodged before 5 p.m. on that date to participate. The new issue shares will participate to the extent of one half of the interim dividend.

	Half-Year to 31/3/77 #A'000	Half-Year to 31/3/76 #A'000	Percentage Movement
Net banking profit after taxation and after eliminating inter-company transactions	10,810	8,230	+31.3
Net profit after taxation from non-banking sources	11,006	9,006	+22.2
Group profit before extraordinary items	21,816	17,236	+26.6
Extraordinary items (net)	667	1,075	-38.0
Surplus on sale of properties	—	—	—
Group profit after extraordinary items	22,483	18,311	+22.8
Income			
—Banking Companies (Banking Act basis)	199,861	171,207	+16.2
—Non-banking companies Taxation	89,073	65,276	+36.5
—Banking Companies (Income, land and other taxes)	71,620	9,896	+72.5
—Non-banking companies (Income tax)	9,383	8,075	+16.2
Depreciation including amortisation	7,028	5,709	+23.1

The above figures are unaudited and are based on exchange rates ruling at March 31 in each year. The 1976 half-year banking profit includes a net charge for deferred tax on Trading Bank global profits adjusted to a U.K. tax basis. This charge is not applicable to the 1977 half-year in view of the change in the Group's country of residence status.

60,087,278 ordinary shares were on issue at March 31, 1977 and a further 18,047,456 shares have issued since that date.

Note: A.N.Z. Group Holdings Limited was incorporated in Victoria on April 15, 1976 and, under the Scheme of Arrangement dated June 11, 1976, Australia and New Zealand Banking Group Limited and its subsidiaries became wholly owned subsidiaries of A.N.Z. Group Holdings Limited. Comparative figures for 1976 cover the position when Australia and New Zealand Banking Group Limited was the parent company for the Group.

SHARE DISCLOSURES

Stock Conversion and Investment Trust: Joseph Levy, as trustee, since March 31 has disposed of beneficial interests amounting to 200,000 shares leaving 3,087,032, of which, 1,956,286 are beneficial. J. W. Wishart (as trustee) has disposed of 123,000 shares of beneficial interest. Relevant interest as at May 10 was 3,226,888 shares including 425,000 beneficial. Mr. R. Clark sold on May 10 for his beneficial interest 1,000 shares. Mr. J. W. Campbell sold on May 10 shares in a non-beneficial holding. Messrs. Levy, Wishart, Clark and Campbell are directors of the company.

Equity Trust: Disposed of 200,000 shares. Relevant interest as at May 10 was 7,975,000 shares (26.65 per cent.). Of the total of 290,000, 150,000 represent non-beneficial interests of trustee Clark, F. Roberts (as trustee), A. V. C. Asley (as trustee), and J. W. Campbell (as trustee).

Walls Blake Beare: Mr. C. D. Pike holds 505,511 Ordinary (16.69 per cent.). Mr. B. Fyfe holds 488,750 (16.18 per cent.) both holdings as at April 19.

Investment Trust: Mr. E. M. Behrens and Mr. J. M. Truett in a joint account have sold 728,000 capital shares thereby reducing joint interest to less than 20 per cent. in nominal value. Balance remaining after the sale amounts to 286,000 capital shares, approximately 8.9 per cent.

Overington Group: Mr. C. H. Wallis (director) has disposed of 8,250 Ordinary and 12,850 restricted voting shares, approximately 0.25 per cent. of the 3,200,000 Ordinary and 14,000 restricted voting.

Engle and Caledonian Investment: Mr. C. Macpherson (director) has sold 24,000 shares of his beneficial holding. The shares were sold in assorted form, 2,000 on May 9 and 22,000 on May 10 leaving a non-beneficial holding of 6,000 shares.

Tem Consultative: Mr. R. Siebel purchased 2,500 shares, now holds 10,000 (0.71 per cent.).

Stroms Investment: Mr. Butler-Henderson has disposed of 25,000 shares in assorted form.

Merchants Trust: Standard Life Assurance purchased an additional 88,000 Ordinary stock units bringing total holding to 3,320,000 (6.7 per cent.).

Northern Foods: Mr. G. N. S. Horsley has transferred 57,000 Ordinary shares from a joint account in the name of G. N. S. Horsley and J. A. Horsley, to beneficiaries under a settlement.

John I. Jacobs: Mr. J. H. Jacobs and family interests now hold 1,550,000 Ordinary stock units (4.82 per cent.). Mr. J. H. Jacobs having purchased 300,000 Ordinary stock units on May 12.

Bond Street Fabrics: Directors shareholdings as at May 11 were as follows—Mr. J. Thompson and wife 176,800 (4.53 per cent.), Mr. C. T. Stewart 865 (0.02 per cent.), Mr. R. Parsons nil, Mr. J. Finlay nil, Mr. S. Liddell nil, and G. Extra Yield Fund holds

265,000 shares (8.78 per cent.).

Witntrust: G. Szapiro and R. D. Szapiro have each acquired 12,500 Ordinary shares on May 11.

Progressive Securities Investment Trust: Mr. P. Rowntree, director, has disposed of 3,000 Ordinary shares from his beneficial interest.

Non-beneficial: Mr. E. Powell, director, and wife, holds 1,074,597 (39.48 per cent.) Ordinary shares. Mr. M. Powell, director, and family trust, holds 642,136 (23.35 per cent.). Mr. E. Morris, director, and wife and family trust, holds 48,028 (1.82 per cent.). Mr. J. S. W. Sheard, director, and wife and infant children holds 2,431 (0.08 per cent.) and Mr. P. P. Carberry, director and wife, holds 26,154 (0.96 per cent.).

Mark Securities: Mr. E. Powell has a non-beneficial interest in 9,499. C. E. Heath: Mr. R. J. G. Shaw, director, has purchased 3,000 Ordinary shares in the name of his wife.

Greenfriar Investment: Witn Investment has acquired an additional 10,000 shares bringing total holding to 1,381,544 (14.54 per cent.).

English and New York Trust: Standard Life Assurance has purchased an additional 25,000 Ordinary bringing holding to 1,574,250 (5.02 per cent.).

Grimsdale Holdings: Slater Walker Securities is interested in 8.13 per cent. Ordinary shares.

Brown Shipley Holdings: Mr. A. Mackinnon, director, has sold 18,000 shares in which he had a beneficial interest, thereby reducing non-beneficial interest to 32,000.

Charles Hill of Bristol: Lloyd's Register of Shipping Superannuation Fund Association beneficially holds 53,000 Ordinary shares (1.71 per cent.).

Centrovital Estates: Mr. B. Gold, director, has sold 20,000 Ordinary.

Wood Hall Trust: Mr. A. I. Annand, a director, has acquired 25,000 Ordinary.

Balough: Electra Investment Trust has acquired a further 31,829 Ordinary and now holds 756,950 (12.12 per cent.).

T.P.T.: Mrs. Tydesley is interested in 850,000 (4.76 per cent.) shares.

Ara Group: Sir Julian Hodge has sold 12,441 Ordinary from his beneficial holding.

Marks and Spencer: Sir Marcus Joseph Sieff has disposed of 7,000 Ordinary.

Progressive Securities Investment Trust: Mr. P. Rowntree, director, has disposed of 3,000 Ordinary in which he had a beneficial interest.

Advantage International: Tertile Pensions Trust has disposed of 20,000 Ordinary reducing holding to 164,000 (6.67 per cent.).

C. H. Beazer (Holdings): Mr. C. H. G. Beazer has sold 7,000 shares. Mr. J. W. L. Lupton has sold 3,000 and Mr. B. C. Beazer 10,000 shares. All are directors.

come interested as an executor of a deceased individual's estate in 144,808 Ordinary shares.

Fisons: Mr. R. Bounds, director, has sold 4,000 Ordinary and Mr. A. S. Woodhams, director, has paid up on 3,000 incentive scheme shares converting 374 into fully paid Ordinary which he retained, and selling 2,625.

Cwman, de Groot: Mr. E. A. de Groot has sold 10,000 Ordinary.

James Walker Goldsmith and Silversmith: notified that 18,750 Ordinary and 18,750 non-voting Ordinary have been sold by G. S. Sanders, E. J. Lowman and A. L. Burford. G. S. Sanders is a director.

Property Investment and Finance: Pearl Assurance holds 7.63 per cent. of the capital and Pensman Nominees 7.43 per cent.

Vantage Securities: T. C. Pilkington has acquired a further 50,000 shares making total interest 150,000 (4.6 per cent.).

Associated Filmmakers Manufacturers: Lord Palmer, director, has disposed of 2,000 Ordinary.

Viking Resources Trust: Mr. R. T. Grieve, director, has increased his holding of Ordinary by 300 to 1,000.

Deauley Investments has reduced holding to 57,500 shares (1.12 per cent.).

Weir Group: Viscount Weir sold on May 2, 25,000 Ordinary and on May 8, 25,000 Ordinary.

Mr. G. A. Weir also sold 25,000 on May 2 and 25,000 on May 6.

British Anzani: Mr. G. Faul's interest in the company should have read 1,330,240 (5.08 per cent.) not as announced 1,553,240 (5.18 per cent.).

Maple and Co. (Hldgs): T. and W. Judge together with D. I. Swaffer, a director of Judge, have increased their holdings by 1,925,000 (17 per cent.).

L. Lipton doubles to £132,519

SECOND HALF 1976 pre-tax profit of L. Lipton engaged in fort lift trucks, improved from £50,986 to £132,519 for the year, doubled from £53,383 to £132,519. In November last year the directors forecast a latter half improvement.

A tax charge of £71,494 (£55,407) is deferred and there is no current tax payable on year-end profits. Mr. J. Lipton, chairman, states:

While there are indications of recovery in certain sectors of the economy, trading in the present economic conditions remains difficult and he considers it unwise to make a forecast for the current year. However, the positive step taken during the year, which resulted in a notable improvement in 1976, and the directors are continuing their efforts to further this improvement. Mr. Lipton says:

The depressed level of activity in the mechanical handling industry resulted in a lower first half turnover in the fork lift truck division and while this improved substantially in the second half year, higher operating costs limited the overall improvement in profit, says Mr. Lipton.

Considerable investment was made in new trucks during the year and there is now a well balanced modern fleet. Efforts are being directed at increasing the proportion of the fleet on longer term contract hire and in the marketing of new forklift trucks.

BIDS AND DEALS

Offer coming for AVP

A cash take-over bid is on the way for AVP Industries, the hotels and furniture and refrigeration equipment manufacturers, whose shares were suspended yesterday after a 5p rise, where the group is capitalised at £17.7m.

Mr. Harold Foster, chairman of AVP, said yesterday that he was confident that an announcement giving details of the bidder and price would be made to-day. He added that the prospective bidder was a U.K. company but not one in the hotels and entertainment industry.

AVP, which made pre-tax profits of £4.7m. in its last financial year and recently announced half-time profits of £2.34m. against £2.04m., earns the majority of its profits from manufacturing but also owns a number of hotels including the Metropole Hotels in London, Birmingham and Brighton.

BORTHWICK IN NEW ZEALAND

Thomas Borthwick and Sons, recently defeated in its £12.5m. bid for F.M.C. in the U.K., has turned its attention to Gear Meat Company, a New Zealand meat processor.

Terms of the offer, which is subject to the approval of the appropriate New Zealand authorities, have not yet been revealed but Gear Meat is currently capitalised on the stock market at £1.77m.

Dr. Bill Bullen, chairman of Borthwick, said yesterday that while the group still placed a high priority on increasing U.K. earnings it was impossible to ignore changes in the meat wholesale trade overseas.

Borthwick recently formed a new company in New Zealand to merge three of its plants with that of the New Zealand Co-operative. About 40 per cent. of Borthwick's sales originate from New Zealand's meat and although its stake in the domestic market is small the company accounts for almost a fifth of New Zealand beef exports and a quarter of the lamb and mutton exports.

WEDGWOOD/SPR

Wedgwood's "Ordinary Offer" for SPR Investments is unconditional in all respects and will remain open. Wedgwood expects to post renounceable certificates and remittances in respect of cash entitlements in the case of the acceptances valid in all respects already received by May 12, on June 3, and, in the case of any other valid acceptance, 21 days after receipt.

All the directors and the secretary of SPR have resigned and Sir Arthur Bryan, Mr. Peter Williams and Mr. James Moffat, directors of Wedgwood, have been appointed in their stead. Mr. James Moffat has been appointed secretary of SPR.

UTD. WIRE SELLS LOSS-MAKER

United Wire Group has sold United Sintering to Rigby Metal Components of Cleckheaton. Exclusive of debtors and the build-

ing the price is £181,000. United Sintering was listed in 1970 originally to concentrate on a specialist range of filters. However, manufacturing was not successful and it was necessary to move to more standard, profitable, components.

Despite the addition of the equipment each year to bring up to date the plant, the company has failed to achieve profit, and the directors there was little prospect of coupling past losses and earning an adequate return on the investment and the decision was to sell.

Currently there are 28 players at United Sintering. Rigby Metal has indicated its willingness to offer positions to suit skilled employees prepared to transfer to Cleckheaton. United Wire has discussed with remaining employees opportunities at its Edinburgh factory.

EMI SELLS OFF PRU STAKE

EMI has sold its total hold of 5,627,336 Ordinary shares Prudential Assurance at average price of approximately 126 1/2 p per share.

EMI acquired the stake which took over Development Securities just over a month ago. A spokesman for EMI said cash raised would be used to reduce our loan position. "Any particular purpose such as an acquisition."

He said the group had present plans "to sell off assets of Development Securities which ten small trading companies have interests ranging from forestry and plant hire running the Chichester Y Basin.

HERBERT MORRIS

Acceptances received in part of the offer by Derby in relation to Herbert Morris amount to 3,964,702 Ordinary shares. Preference shares of 140,064 remain outstanding. The offer remains open.

SILENTHLOC/BTR

André Silenthloc says a statement containing the results of BTR's increased offer will be posted on Wednesday. This will contain the statement of intent to post renounceable certificates and the declaration of entitlements in the case of the acceptances valid in all respects already received by May 12, on June 3, and, in the case of any other valid acceptance, 21 days after receipt.

F. J. WALLIS

International Stores Hold now owns over 98 per cent. F. J. Wallis shares following offer.

The offer remains open. Balance will be acquired compulsorily.

ARMSTRONG EQUIPMENT

Armstrong Equipment has changed contracts with M.J. Business Systems Incorporated purchase the Hedon Road, factory premises previously owned by Imperia Typewriters together with land immediately at the rear of the factory, amounting to 18 acres.



Have you got what their Pension Funds are looking for?

Property investments—Commercial and Industrial are currently being sought for the pension funds of the above companies by our Investment Department.

If you have property that you think would be of interest, send details to Edward Luker or Robert Clarke at Richard Ellis, 64 Cornhill, London EC3V 3PS. Tel: 01-283 3090

Richard Ellis
Chartered Surveyors



FINANCIAL HIGHLIGHTS FOR YEAR ENDED 31st DECEMBER 1976

- * Group returned to overall profit at £3,076,000 (1975 Loss £1,895,000) after Land Bank write down of £1,105,000 (1975 £2,389,000).
- * Dividend of 5p per Ordinary Share recommended (1975 nominal 0.0500p).
- * Group borrowing reduced from peak of £35m. in early 1975 to present level of £9m.
- * Increased profit contribution from all Group U.K. construction companies.
- * Doubled turnover and increased profit contribution from overseas construction companies.

OTHER MAJOR POINTS OF NOTE FROM CHAIRMAN'S STATEMENT TO BE CIRCULATED WITH REPORT AND ACCOUNTS ON 31st MAY, 1977

- * All loss-making motorway and trunk road contracts brought to physical completion.
- * Marketing efforts ensured acceptable level of enquiries and reasonable market share of available orders.
- * Rationalisation of Development Companies continued.
- * Further expansion overseas anticipated—additional orders in existing territories achieved and entry into new areas underway.
- * Underlying trends reflected in 1976 trading result continuing into 1977.
- * Overall improvement in result anticipated for 1977.

FRENCH KIER HOLDINGS LIMITED
Annual General Meeting—Friday, 24th June 1977

VICTORY International Specialist Reinsurers

Consolidated Results for 1976

	1976	1975
Reinsurance Operations (Net)	£	£
General Insurance Premium Income	21,456,000	14,536,000
Life Insurance Premium Income	19,782,000	16,988,000
New Life Sums Assured	469 million	390 million
Profit and Loss Account		
Investment Income	2,350,000	1,727,000
Revenue Account Transfers	(1,288,000)	(899,000)
General Business	200,000	—
Life Business	1,262,000	828,000
Expenses, Exchange & Taxation and Minorities in 1976	(192,000)	(176,000)
Profit after taxation	1,454,000	1,004,000
Proposed Dividend	243,000	—
	1,211,000*	1,004,000
*before increase in investment values		
Shareholders Funds		
Capital	4,850,000	4,850,000
Share-Premium Account	180,000	180,000
Retained Profits and Reserves	2,207,000	1,132,000
Net Assets	7,237,000	6,162,000

Highlights from the Chairman's Statement

- * Increased operating profit.
- * Total assets of the Group now exceed £100 million.
- * The policy of developing and expanding the world-wide reinsurance services has continued.
- * Total Life sums assured in force now exceed £1,500 million—30% increase in new business.
- * Net premium growth of 47% in General Insurance operations.

Copies of the Report and Accounts for 1976, incorporating the Chairman's Statement, may be obtained from The Secretary, The Victory Insurance Company Limited, Victory House, Castle Hill Avenue, Folkestone, Kent CT20 2TF.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

FRANCO-U.S. EXCAVATOR DEAL

Case to buy Poclair subsidiaries

BY DAVID CURRY

PARIS, May 16

THE AMERICAN public works equipment manufacturer, Case, is to buy several overseas commercial subsidiaries of the French hydraulic excavator concern Poclair as part of the deal in which it will acquire 40 per cent of the French company.

while various institutional investors and creditor banks will hold 26 per cent in public hands. The Board is being remodelled to accommodate the Case interests. Four Case men will join the Board, while the Battaille family will be represented by M. Pierre Battaille, who remains president, and M. Claude Battaille, Renault and Volvo will nominate one director each, while two places remain to be filled.

AMERICAN NEWS

Upturn at Sears Roebuck

BY DONALD MACLEAN

SEARS ROEBUCK and Company net earnings in its first quarter to April 30, were \$184.1m, or 52c a share, against \$85.1m, or 52c a share, in the first three months last year, while sales totalled \$3.61bn, against \$3.2bn.

its financial year, the company made a net loss of \$2m, or \$2.04 a share, against a profit of \$4m, or \$1.56 a share, in the same period of the previous year, with revenues totalling \$233.1m, against \$282.9m.

Conrail loss

CONSOLIDATED RAIL Corporation lost \$207.6m in the first quarter of 1977, on revenues of \$770.4m. Reuter reports from Philadelphia.

It attributed more than \$100m of the loss directly to extraordinary winter conditions. A larger than expected decline in revenues from fourth quarter levels resulted from the railroads' difficulty in handling all traffic available to it and the economic impact of energy shortages on many industries served by the railroad.

BEA petroleum

BASIC RESOURCES International has announced the formation of a company, BEA petroleum, to be owned 21 per cent by Societe Nationale Elf Aquitaine and 79 per cent by Basile.

The new company, registered in the Bahamas, has entered into a venture with Shenandoah Oil Corporation "to finance exploration on a portion of the 833,000 acre Guatemala oil concession outside of the Rubelsanto structure, which is held in undivided interest by Shenandoah Oil Corporation 25 per cent, and Basile Petroleum 25 per cent, and Basile Bahamas a wholly-owned subsidiary of Basile Resources) 50 per cent."

Elf Aquitaine has an option to increase its stake in BEA Petroleum to 33 per cent. Elf Aquitaine is a French oil company with operations in some 33 countries. Basile, which is Luxembourg-based, holds oil concessions in Guatemala.

Imasco profits up

IMASCO, formerly Imperial Tobacco Company of Canada, earned \$35.2m, or \$3.61 a share in the year to March 31, against \$34.5m, or \$3.54 a share in the previous year. Robert Gibbons writes from Montreal. Volume was \$1,039m, compared with \$941m.

The tobacco and food products group earned 93 cents a share in the fourth quarter, compared with 98 cents in the same period a year earlier. The company expects "improved results" for the current year.

Corporate profits 'unscaled'

U.S. CORPORATE profits emerged "relatively unscaled" from the severe winter, and should continue a gradual improvement in real terms in the year ahead, according to the Economic Letter published by Citibank. Reuter reports from New York.

A survey of 1,733 corporations showed first quarter profits up "a nominal 9 per cent," as compared with the same period last year.

But despite "impressive" year to year increases, earnings have barely kept up with inflation during the past year, and have still not regained their pre-recession peak, the bank says.

For the 1,140 manufacturing companies surveyed, there was a rise of only 3 per cent, on average from the first-quarter level last year, while non-manufacturing profits rose 21 per cent.

Steel mills reported an average profit decline of 84 per cent, chemicals and paper each a fall of 8 per cent, and textiles a reduction of 18 per cent.

Claas sees lean year

BY GUY HAWTIN FRANKFURT, May 16. GEBRÜDER CLAAS Maschinenfabrik, one of West Germany's leading manufacturers of agricultural machinery, is expecting a reasonably lean 1977-1978. Its management is predicting an overall 5 per cent drop in sales, largely as a result of a lack of export demand.

The parent concern estimates that by August 31, when the business year ends, sales will have totalled about DM500m. Group turnover is forecast at DM550m. (1422/801).

A report by the Claas management to-day firmly attributed declining sales to lack of overseas demand. In the group's traditional export markets, which take some 75 per cent of its harvester production, orders have fallen back heavily. In the Algerian and Brazil, formerly major customers for the group's products, trade has dropped away to virtually nothing, the group reports.

Despite this the Claas management believes the group's earnings power has increased and that the decline in profits can be held within reasonable limits. It is also hoped that the group will soon be able to phase out short-time working at its manufacturing plants.

In 1976-76, turnover also fell back, but at a rather slower rate. The parent concern's sales totalled DM524m against the previous year's DM530m. Home turnover went up from DM141m to DM158m, but exports fell back from DM389m to DM371m. Net profits were virtually unchanged at DM20.2m, compared with the previous business year's DM20.7m.

The Claas group's world turnover in 1975-76 grew from DM602m to DM617m, but group net earnings were only slightly above those of the parent. Investment totalled DM23.4m, compared with the previous year's DM19.9m.

Swap loan by Bos Kalis

By Michael Van Os AMSTERDAM, May 16. BOS KALIS Westminister, the Dutch-based international dredging and construction group, is negotiating a second sterling/Dutch Guilders currency swap loan.

The company said to-day that the sum would not exceed that of last year's arrangement and that it would be made with a different party; the earlier swap loan was a part of attempts to finance foreign activities locally, wherever possible, in the face of the instability of the currency markets. Last year, BKW had £5m in the U.K. against a loan provided by the same party in Holland. It was agreed that after a period of between 10 and 15 years, this position could be extended or reversed.

The company added that, due to receipts of substantial amounts from debtors, the amount of short-term loans will decrease considerably this year. A Fls.35m. private placement has been made since the start of this year to help cover investments.

As reported earlier, the company's net profit jumped to Fls.39.1m in 1976, up Fls.11.1m. Although BKW is satisfied about the increase, the Board points out that the adopted system of profit taking—in the year in which contracts are actually completed—can cause fluctuations in the annual results due to over-lapping of contracts.

The ratio of profit on shareholders' equity rose to 13.2 per cent from 10.6 per cent in 1975 which, though satisfactory at first sight, is considered insufficient on its own to help compensate for continuing inflation.

The order book, Fls.1,840m at the end of 1976, has increased further to Fls.2,320m, or so at the moment.

Euroloans of \$150m. signed for Argentina

By Francis Gillies

THE FIRST two medium term loans in Argentina since the Jumbo \$1.3bn. refinancing operation, which the IMF and the commercial banks arranged last year, have been settled. The first one was a \$100m. for the Banco Nacional de Desarrollo for five years at a spread of 1 1/2 per cent over Libor, signed yesterday in London. Lead manager is the London Multinational Bank.

The purpose of the loan is to finance a number of important industrial projects in the private sector. A further \$50m. is being raised by Eala-bank acting as lead manager for the Banco de la Nacion, a State-owned trade company, for the purpose of on-lending to industrial customers. Maturity is three years and the spread 1 1/2 per cent over Libor. The lower spread being explained by the shorter maturity.

Argentina will require further loans this year but maximum needs projected by bankers put them at the most at \$700m. Reserves have increased sharply in recent months; they stood at \$330m. last September but by the end of February had risen to \$2,238m, which suggests that the country is not desperate for new funds raising operations, all the more as banks seem to be prepared to extend bank to bank loans to their Argentinian counterparts.

Bankers are cautiously optimistic about the economic outlook in the country, encouraged by the fall in the inflation rate which in the first quarter of this year was 33.4 per cent, compared with 215.8 per cent in the 12 months to March 1977.

Rollei launch in U.S. market

By Jonathan Carr BONN, May 16.

ROLLEI, the camera and optical concern, is joining the growing ranks of West German companies aiming to attack the American market from within.

Rollei said that it will shortly take over the entire photo division of Honeywell Corp., Denver (Colorado). Rollei's sales partner in the U.S. from 1966 to 1972.

Details of the sale were not revealed. But the company said that through the acquisition it hopes by the end of 1978 to have trioled its U.S. sales from the current annual level of around \$12m. The U.S. market would then account for almost one third of Rollei's total turnover.

As well as the U.S. venture, Rollei is continuing to expand its activity in the Far East, which it feels has the greatest potential next to the American market.

New board aids SGI rescue operation

BY PAUL BETTS

ROME, May 16

A FURTHER stage in the controversial and long-drawn out salvage operation of Italy's largest construction and building enterprise, Societa Generale Immobiliare (SGI), was reached to-day following the appointment of a new SGI board.

Last week the entire board resigned in order to facilitate the salvage of the company. The board is reported to have debts of more than L500bn. (about £330m.).

At an extraordinary general meeting here to-day, shareholders of the company, controlled originally by the Vatican and later by the financier, Sig. Michele Sindona, appointed Ambassador Aldo Maria Mazzio, chairman of SGI International. Shareholders also approved a capital writedown to L75bn. and confirmed the sale of SGI assets—including the Rome Hilton, the Washington Water-gate complex and the Montreal

course Sky-scraper—in order to meet the company's most pressing debts.

The meeting also approved a L355bn. convertible bond issue to inject badly needed funds in the troubled group, which has suffered not only from foreign exchange and commodity market losses incurred during the former management of Sig. Sindona, but also from the severe recession in the Italian building industry. Earlier this year, SGI failed to raise fresh capital from a rights issue.

The appointment of the new board is seen here as a holding operation to gain time for the setting up of a consortium of 17 Italian banks to subscribe to the convertible bond issue. So far the banks, which are all owned by the State, have raised a number of technical objections to the issue. It is expected that the Prime Minister, Sig. Giulio Andreotti, will announce the details of the consortium in the next few days.

EUROBONDS

Decision on EEC issues

BY MARY CAMPBELL

THE FINAL decision on the European Economic Community's issues will now only be taken to-day—the subject is the first item on the agenda of the Council of Ministers meeting when it resumes this morning. Approval for the proposed discount on the issue is also still awaited.

Deutsche Bank's \$126m. warrants issue was launched yesterday. The ten year issue offers an indicated coupon of 4 1/2 per cent, as expected, with the purchase price for the shares set at \$125 for the purposes of the warrants.

Due to be announced in the D-mark sector to-day is a DM150m. 12 year issue for Norsk Hydro. The issue offers an indicated 6 1/2 per cent, with Commert-Bank as lead manager. Amortisation starts after four years.

DOMESTIC BONDS

Rising demand in Canada

BY PAULINE CLARK

THE Canadian domestic bond market is preparing for a build up of new issues over the coming weeks as a combined result of lower Canadian interest rates and falling prices in the U.S. and Eurodollar bond markets.

The first concrete evidence of the Canadian capital market's return to favour among major borrowers came last week with the withdrawal of Quebec Hydro's plans for a \$50m. Euro-bond and the issue in its place in the home market.

The good reception to the 20 year issue at an offering yield of 10.09 per cent, has been significant in demonstrating the market's tolerance of a maturity where there was a desire for new long term paper with high yields available currently in the Euro-

bringing the average life of issue to 8 1/2 years. The guilders market continues very strong. Lunched yesterday was a Fls.100m. 7 1/2 per cent issue for the Euro Investment Bank.

It is now expected that construction and civil engineering group, Condotto, controlled by the state bank company IRI, will wind up a control of SGI.

The chairman of Condotto, Professor Loris Corbi, has appointed consultant to SGI, to-day he indicated that he was confident that Condotto would eventually take up shares arising from the convertible bond issue announced yesterday.

BONDTRADE INDEX

Table with columns: Bond Name, Maturity, Yield, Yesterday's Price, Change.

Int. Systems report loss

INTERNATIONAL SYSTEMS and Controls the Houston-based engineering, manufacturing, trading and financial operations concern, reports a net loss of \$2.5m, or 22c a share in its third quarter, to March 31, against a profit of \$0.8m, or 25c a share, in the same period last year. Revenues were \$65.1m, compared with \$84.4m.

The company says that current year's results reflect mainly the adverse impact of worldwide economic conditions in capital goods markets and in developing countries in particular.

"Market conditions may not return to normal for some time," it is maintained, but recent developments in several areas are "sufficient to indicate a marginal improvement in the fourth quarter."

Over the first nine months of

Moët-Hennessy

Provisional Consolidated Results (in F.Frs. '000)

Table with columns: 1976, 1975, 1974. Rows: Turnover before tax, Gross trading profit, Net book profit, Net adjusted profit after writing back tax-free provisions for price increases and before special tax (1), Cash flow (2).

(1) After special tax the net adjusted profit amounts to Frs. 40,144,000 for 1976 and Frs. 42,789,000 for 1974.

(2) On the basis of the net adjusted profit, depreciation and provisions for investment (excluding provisions for trade investments).

Consolidation Principles

The principles applied to consolidation and the consolidated companies are the same as those for 1975.

Champagne Business

The consolidated turnover of the companies making up the Champagne Division reached a total of Frs. 594,461,000 for 1976, an increase of 19.3% over 1975. This growth in turnover was achieved although the Division gave up the distribution of Heineken beer as from 1st January 1976. Setting aside beer sales made in 1975, turnover was up by 30.9%.

The trading account shows a very clear improvement over the previous year, with a trading profit of Frs. 27,717,000 as against Frs. 10,802,000. The net adjusted profit totalled Frs. 13,541,000 as against Frs. 5,146,000 in 1975. This figure allows for a deficit of Frs. 3,300,000 incurred by the Californian subsidiary, which in fact represents the cost of establishing this company which did not begin trading until December 1976.

Cognac Business

The consolidated turnover of the Cognac sector totalled Frs. 376,149,000 and produced a trading profit of Frs. 22,418,000 as against Frs. 13,964,000 in 1975.

The net adjusted profit almost doubled compared with the previous year, rising from Frs. 10,792,000 to Frs. 19,102,000.

Perfume and Beauty Products Business

In 1976 the Parfums Christian Dior companies achieved a consolidated turnover of Frs. 342,268,000, a rise of 24.7%, and produced a consolidated trading profit of Frs. 33,227,000 as against Frs. 11,987,000 in 1975.

The net adjusted profit for the year reached Frs. 14,038,000 compared with Frs. 3,379,000 for the previous year.

The sizeable improvement in results was largely due to the elimination of double trading costs once the Parfums Christian Dior company finally came to be based in Orleans.

BANCO NACIONAL DE DESARROLLO ARGENTINA US \$100,000,000 MEDIUM TERM LOAN

- List of banks and financial institutions: London Multinational Bank Limited, Amex Bank Limited, Bank of Montreal, Banque Européenne pour l'Amérique Latine (B.E.A.L.) S.A., Chemical Bank, Euro-Latinamerican Bank Limited, Grindlay Brandts Limited, Manufacturers Hanover Limited, Merrill Lynch International Bank Limited, Trade Development Bank/Republic National Bank of New York, and provided by American Express International Banking Corporation, Amex Bank Limited, Amsterdam-Rotterdam Bank N.V., Banco Arabe Español S.A., Bank of Montreal, Banque Européenne de Tokyo S.A., Banque Européenne pour l'Amérique Latine (B.E.A.L.) S.A., Banca Française du Commerce Extérieur (B.F.C.E.), Barclays Bank International Limited, Baring Brothers & Co., Limited, Brown, Shipley & Co. Limited, Chemical Bank, Deutsch-Südamerikanische Bank AG., Dresdner Bank Aktiengesellschaft, Euro-Latinamerican Bank Limited, European Brazilian Bank Limited - EUROBRAZ, Girard, Trust Bank, Grindlays Bank Limited, London Multinational Bank Limited, Manufacturers Hanover Trust Company, Merrill Lynch International Bank Limited, Midland Bank Limited, National Bank of North America, Nassau, Bahamas, Société Générale de Banque S.A., Republic National Bank of New York, The National Bank of Washington DC, The Northern Trust Company, Trade Development Bank Overseas Inc., Nassau Branch, Agent Bank.

LONDON MULTINATIONAL BANK LIMITED 16 MAY 1977

Handwritten signature: J. P. Co. 1560

STOCK EXCHANGE REPORT
Equities give a little ground but undertone firm
Share index down 1.1 at 466.7—Gilts quietly mixed

Account Dealing Dates
Optimism
"First Declara- Last Account
Dealings Date Dealings Date
Apr. 25 May 5 May 6 May 17
May 9 May 19 May 20 May 31
May 23 Jun. 3 Jun. 10 Jun. 21
New time "dealings may take place
from 1.30 a.m. two business days earlier.

A small evenly balanced trade
in investment currency caused
only minor fluctuations in the
premium which, after moving
between 121 and 120 per cent,
closed unaltered at 120 1/2 per cent.
Yesterday's SE conversion factor
was 0.8532 (0.66371).

General Accident firm

Small mixed movements were
the order of the day in insur-
ances. General Accident edged
forward a penny to 108p in front
of today's first-quarter figures,
while Commercial Union
responded to favourable week-end
comment with a gain of 2 to 122p.

Breweries closed with modest
falls following a fairly quiet
trade.

Whitbread "A" eased a
penny to 79p in front of today's
preliminary statement. Bass Char-
ter, 115p, and A. Guinness,
147p, both finished 2 easier. Dis-
tilleries were notable for a
decline of 3 to 37p in Inver-
gordon and a reaction of 4 to
28p in A. Bell.

Variable rate Gilt

British Funds failed to derive
any further benefit from either
last month's trade returns, com-
ment about which was generally
favourable over the week-end, or
Friday's small cut in Minimum
Lending Rate. Shorter maturities
were marginally easier throughout
but the high coupon long-term
surrendered the gains after the
official close when a bid stock
came on offer. The announcement
of the long awaited issue of a stock
bearing a variable rate of interest
was made late in the evening and
came as a complete surprise. Im-
mediate reactions were that the
longer end of the market would
probably improve this morning
because of the moderate amount
involved, 540,000, compared with
recent past issues of more than
twice that figure. Corporations
were unaffected by news of the
new 5 1/2m. Sunderland issue and
scattered gains of 1 included G.L.
13 1/2 per cent, 1984, which, in 250-
paid form, closed at 23 1/2.

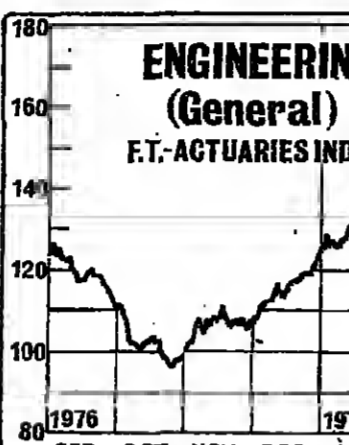
Reyrolle feature

Growing controversy over the
announcement that a 250,000
power station is to be ordered
two years before it is needed from
GEC's rival, C. A. Parsons,
directed fresh attention to the
latter's parent Reyrolle Parsons,
which dropped 1 1/2 to 20 1/2 in thin
trading. GEC ended 3 easier at
185p, after 183p. EMI, however,
closed, 2 better at 235p
following news of the disposal of
its entire shareholding in
Prudential Assurance at an

average price of around 126 1/2p
per share. Other Electricals drifted
on small selling and lack of
support. BSR were lowered 3 to
125p, while Fyc Holdings, 97p, and
Electrocomponents, 152p, both lost
4 apiece.

Cosalt rally

The miscellaneous Industrial
leaders ended the day with fairly
modest losses. Awaiting the
preliminary results, Burton
rebounded from 406p before
falling to 405p and closing only
1 off on balance at 406p. Bowler
finished 2 easier at 208p and



Glass a similar amount lower at
315p. In contrast, Boots traded
firmly at 170p following favour-
able Press mention. Elsewhere,
Cosalt rebounded smartly to 85p,
up 14, on the proposed rights
issue, dividend and profits fore-
cast: it was announced last Friday
that the DTI had appointed in-
spectors to investigate the affairs
of Orbit Holdings, a subsidiary
of Cosalt. J. Dykes moved up 4
further to 38p in response to the
second-half recovery, but
L. Lipton, a strong market of late,
reacted 1 1/2 to 56p, following the
preliminary results. Plastic Con-
struction were noteworthy at 59p,
up 6, while Bay's Wharf gained
2 more to 162p. Still on the pro-
posed rights issue, Thomas Tilling
gave up more to 102p. Dealings
were suspended in AVP at 82p
at the request of the company.
Dealings were also suspended in
Alpena Holdings, up 2 1/2 at 30p,
pending an announcement from
the company.
Reliant stood out in Motors and
Distributors with a reaction of
1 1/2 to 41p following the company's
announcement that talks are
currently taking place which may
result in a change of control and
an offer for the shares at a price

appreciably below the market
price. Colmore Investments har-
dened 2 to 27p on the rejection
of the T. Cowie offer, while gains
of 3 were seen in Arlington, 80p,
and Houchins, 105p. H. Perry im-
proved 8 to 95p on small buying
in a restricted market, but Dowry
finished 4 off at 144p and Flight
Refinancing 3 cheaper at 56p.

Oils firm late

Late domestic and U.S. buying
ensured a firm close in British
Petroleum and other Oils in gen-
eral. BP's evaluation of the
BP's Alaska assets aroused com-
ment but business was evenly
matched until the late interest
left BP higher on the day at
82p. Meanwhile, Shell rebounded
from 52 1/2p to close a net 3 better
at 53p and American influences
raised Royal Dutch 1 1/2 to 488p.
Tricontrol recovered following the
dry North Sea well disappoint-
ment to end 7 up at 182p, while
a renewal of speculative support
lifted Oil Exploration from 166 to
174p, a rise of 2 on balance.
Premier gained 2 to 197 1/2p,
a rise of 18p in sympathy. Increased
annual profits stimulated enthu-
siasm for British Boreas, which
improved 4 to 132p. Elsewhere,
Canadian advisers were responsible
for an advance of nearly a point
in Ranger, 49p, and North Sea
speculation helped Stebens (U.K.)
rise 6 to 13 1/2p.

Properties succumbed to
further profligating although
prices tended to rally a little
after-hours.

Land Securities
ended 2 off at 185p, after 183p,
and BEPC were a similar amount
lower at 92p, after 91p. English
closed a fraction easier at 50 1/2p,
after 49 1/2p. Hammerson A ended
10 down at 45p following the
annual report and Chesterfield
receded 6 to 214p despite higher
profits. Haslemere Estates
declined 5 to 200p, while losses
of 4 were recorded in Bradford,
150p, Berkeley Hamble, 120p and
Linton, 92p. In contrast, Rush
and Tompkins gained 2 to 70p on
further consideration of the
R150m. Lease put on 4 to
218p. Peachey held firm at 51p
after Friday's overwhelming
rejection of Sir Eric Miller's plea
to remain on the Board.

Investment Trusts were quieter
and little changed.

Rothschild improved 4 to 258p following
Press comment, while Cmanus,

194p, and Winterbatten, 130p,
put on 1 1/2 and 3 respectively.
Capital issues had Rosedmond 2
harder at 49p and Channel Islands
4 better at 37 1/2p. Harcers Invest-
ment were finally unchanged at
33p, after 33p, following the pre-
liminary figures. Fashion and
Genus continued firmly in 70p
and 116p for a
two-day gain of 6.

Shipments attracted a reason-
able business and closed firmly.

P. and O. Deferred featured with
a rise of 5 to 107p, reflecting
week-end Press comment, while
ahead of today's respective trad-
ing statements. Furness Withy
edged up a penny to 285p and
Walker Ramelton hardened 3 to
133p.

Textiles had little to commen-
d them.

Beas, at 49p, gave
up 3 on further consideration of
the results, while other casualties
took in John Foster, 3 cheaper
at 37p, and Caird (Dundee), 4
easier at 30p. Wood Bastow con-
tracted with a rise of 2 to 76p
on Press comment.

Newspaper mention failed to
generate much enthusiasm in
Tobacco.

Imps were finally un-
changed at 61p and BAT In-
dustries Deferred 3 firmer at 240p.
Cold Fields Properties, 3 bet-
ter at 50p, provided the only
noteworthy movement in South
African Industrials.
Gathric declined 6 to 217p in
idle Plantations where: Conso-
lidated Plantations moved up 3 to
36p and Highlands firmed 2 1/2
to 31p.

London-registered Financials,
however, suffered from lack of
interest and also the downturn
in U.K. equities. British Trust
were notably dull and fell 8 to
a low of 134p, while Charter
declined 3 to 133p.

Australians were featured by
the weakness of Consac Bloctio,

15 down at 910p, and Bonga In-
ville, 6 lower at 88p, following
small but persistent local offer-
ings. Profit-taking following last
week's sharp gains left Hampton
Areas 8 cheaper at 106p.

Elsewhere, continued specula-
tive buying prompted a further
2 1/2 rise in Beratt 7 1/2, which
closed at a high of 53p.

Gold drift

Mining markets began the
week on a subdued note with
business generally down in a
minimum. South African Golds
with one or two exceptions, were
particularly quiet and tended to
drift reflecting the easier halton
price, which was finally 23 cents
down at 147.875 ppc ounce.

Prices movements in the heavy-
weights were usually restricted
to 1/2 with Randfontein that
continued easier at 33 1/2, while
after-hours. Land Securities
ended 2 off at 185p, after 183p,
and BEPC were a similar amount
lower at 92p, after 91p. English
closed a fraction easier at 50 1/2p,
after 49 1/2p. Hammerson A ended
10 down at 45p following the
annual report and Chesterfield
receded 6 to 214p despite higher
profits. Haslemere Estates
declined 5 to 200p, while losses
of 4 were recorded in Bradford,
150p, Berkeley Hamble, 120p and
Linton, 92p. In contrast, Rush
and Tompkins gained 2 to 70p on
further consideration of the
R150m. Lease put on 4 to
218p. Peachey held firm at 51p
after Friday's overwhelming
rejection of Sir Eric Miller's plea
to remain on the Board.

Investment Trusts were quieter
and little changed.

Rothschild improved 4 to 258p following
Press comment, while Cmanus,

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices (Government, Fixed Interest, Industrial Ordinary, Gold Mines, etc.) and their values for May 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and 1977.

HIGHS AND LOWS S.E. ACTIVITY
Table showing high and low prices for various stocks and S.E. activity.

NEW HIGHS AND LOWS FOR 1977
Table listing new highs and lows for various sectors like British Funds, Corporate Loans, etc.

RISES AND FALLS YESTERDAY
Table showing percentage changes in various stock categories.

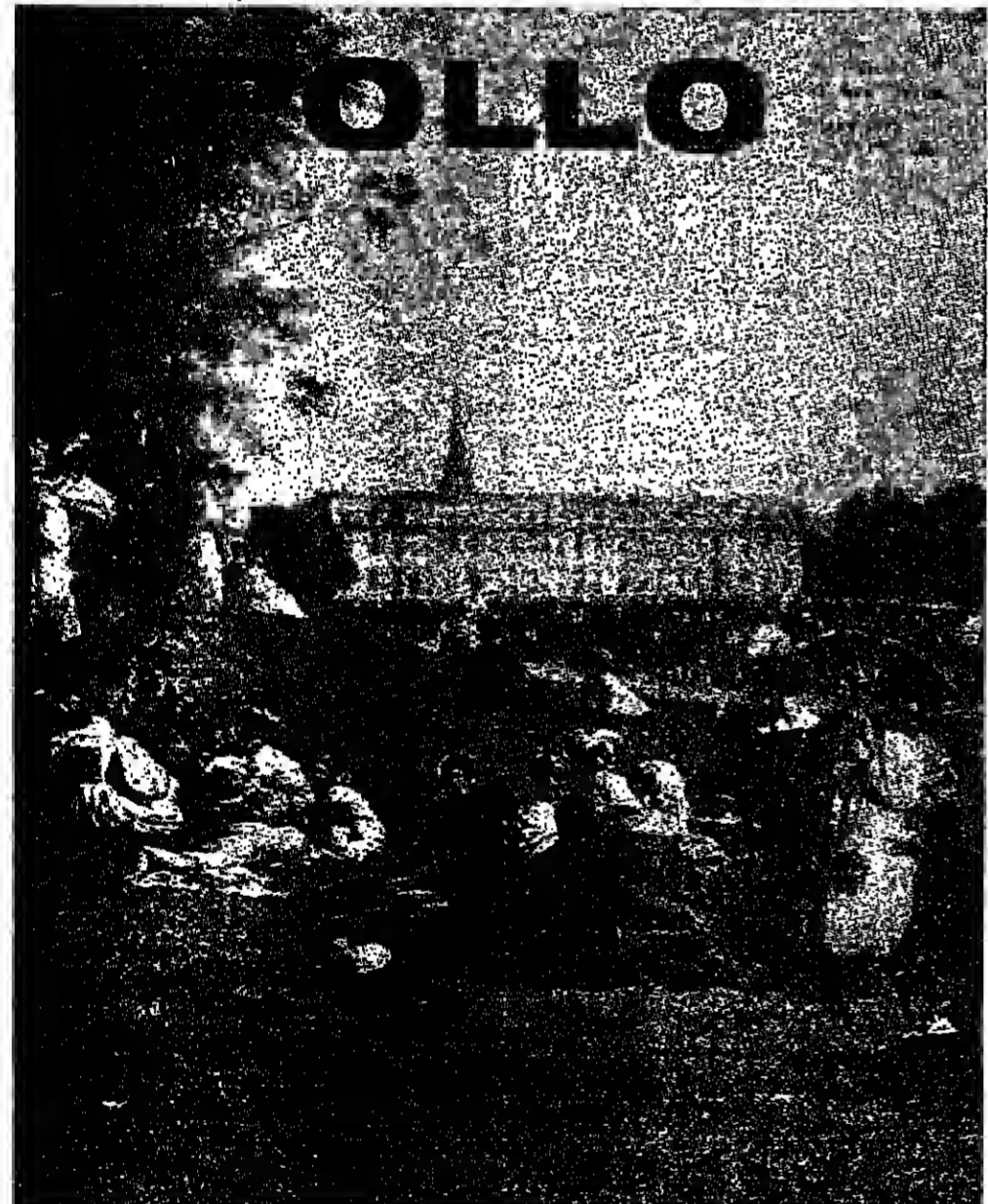
OPTIONS TRADED
Table listing traded options for various stocks.

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices for various equity groups and sub-sections as of May 16, 1977.

Table of Fixed Interest Yields for various government and corporate bonds.

REDEMPTION YIELD: High and low rates, based on latest available data and constant channel are published in the Financial Times, Brackley House, London, E.C4, price 12p, for post 22p.



PETWORTH HOUSE
The MAY issue of APOLLO provides a complete appraisal of the history of this lovely house, its gardens and contents. Neo-classical sculpture, Italian and Dutch 17th and 18th century paintings, the unique collection of oil paintings by Turner, and the exquisite furniture—pieces of English, French and Italian craftsmanship—are all discussed in this important issue.

SINGLE COPY £1.50 OR £2.00 FROM THE PUBLISHERS
Annual subscription: U.K. £18.00, Overseas £20.00, U.S.A. \$45.00 from Apollo, Brackley House, 10, Cannon Street, London, EC4A 3DF. Telephone: 01-248 8000.
Please enter a subscription for one year (12 monthly issues) to Apollo Magazine commencing with the issue
Name
Address
Signed
APOLLO
A division of the Financial Times Limited. Registered in London, Number 227290. Registered Office: Brackley House, Cannon Street, London, EC4A 3DF.

RECENT ISSUES

Table of Recent Issues in Equities and Fixed Interest Stocks, listing stock names, prices, and changes.

"RIGHTS" OFFERS

Table of Rights Offers, listing company names, offer prices, and terms.

ACTIVE STOCKS

Table of Active Stocks, listing stock names, denominations, and closing prices.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 168(1) (-).

Handwritten note: 'Copy on 15/60'

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Vertical text on the left edge of the page, partially cut off.

Table of Authorised Unit Trusts, listing various funds such as British Overseas, Henderson Administration, and others with their respective details.

Table of Offshore and Overseas Funds, listing international investment funds like Fidelity, King & Shaxton, and others.

BASE LENDING RATES

Table of Base Lending Rates for various banks and financial institutions, including interest rates for different terms.

MESSAGE TO MANCHESTER

Advertisement for a financial service in Manchester, featuring a telephone number (061) 246 8026 and a logo.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from companies like Abbey Life, Equity & Law Life, and others.

NOTES

Notes section providing additional information and disclaimers regarding the insurance and investment products listed.

INDUSTRIALS

FT SHARE INFORMATION SERVICE

Factoring means MORE WORKING CAPITAL. Interested? Talk to INTERNATIONAL FACTORS LIMITED.

BRITISH FUNDS. Table listing various funds like Treasury 100, Treasury 125, etc., with columns for High, Low, Stock, Div, and Yield.

Over Fifteen Years. Table listing long-term investments with columns for High, Low, Stock, Div, and Yield.

CORPORATION BONDS. Table listing various corporate bonds with columns for High, Low, Stock, Div, and Yield.

COMMONWEALTH & AFRICAN BONDS. Table listing international bonds with columns for High, Low, Stock, Div, and Yield.

FOREIGN BONDS & RAIS. Table listing foreign bonds and rais with columns for High, Low, Stock, Div, and Yield.

AMERICANS. Table listing American stocks with columns for High, Low, Stock, Div, and Yield.

CANADIANS. Table listing Canadian stocks with columns for High, Low, Stock, Div, and Yield.

BANKS AND HIRE PURCHASE. Table listing bank and hire purchase stocks with columns for High, Low, Stock, Div, and Yield.

Hire Purchase, etc. Table listing hire purchase and other related stocks with columns for High, Low, Stock, Div, and Yield.

BEERS, WINES AND SPIRITS. Table listing stocks in the beer, wine, and spirits industry with columns for High, Low, Stock, Div, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS. Table listing stocks in the building, timber, and roads industry with columns for High, Low, Stock, Div, and Yield.

BUILDING INDUSTRY—Continued. Table continuing building industry stocks with columns for High, Low, Stock, Div, and Yield.

CHEMICALS, PLASTICS. Table listing stocks in the chemicals and plastics industry with columns for High, Low, Stock, Div, and Yield.

CINEMAS, THEATRES AND TV. Table listing stocks in the cinema, theatre, and TV industry with columns for High, Low, Stock, Div, and Yield.

DRAPEY AND STORES. Table listing stocks in the drapery and stores industry with columns for High, Low, Stock, Div, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS. Table continuing building industry stocks with columns for High, Low, Stock, Div, and Yield.

DRAPEY AND STORES—Continued. Table continuing drapery and stores stocks with columns for High, Low, Stock, Div, and Yield.

ELECTRICAL AND RADIO. Table listing stocks in the electrical and radio industry with columns for High, Low, Stock, Div, and Yield.

ENGINEERING, MACHINE TOOLS. Table listing stocks in the engineering and machine tools industry with columns for High, Low, Stock, Div, and Yield.

ENGINEERING, MACHINE TOOLS. Table continuing engineering and machine tools stocks with columns for High, Low, Stock, Div, and Yield.

ENGINEERING, MACHINE TOOLS. Table continuing engineering and machine tools stocks with columns for High, Low, Stock, Div, and Yield.

ENGINEERING—Continued. Table continuing engineering stocks with columns for High, Low, Stock, Div, and Yield.

ENGINEERING, MACHINE TOOLS. Table continuing engineering and machine tools stocks with columns for High, Low, Stock, Div, and Yield.

ENGINEERING, MACHINE TOOLS. Table continuing engineering and machine tools stocks with columns for High, Low, Stock, Div, and Yield.

ENGINEERING, MACHINE TOOLS. Table continuing engineering and machine tools stocks with columns for High, Low, Stock, Div, and Yield.

ENGINEERING, MACHINE TOOLS. Table continuing engineering and machine tools stocks with columns for High, Low, Stock, Div, and Yield.

INDUSTRIALS (Miscellaneous). Table listing miscellaneous industrial stocks with columns for High, Low, Stock, Div, and Yield.

INDUSTRIALS (Miscellaneous). Table continuing miscellaneous industrial stocks with columns for High, Low, Stock, Div, and Yield.

INDUSTRIALS (Miscellaneous). Table continuing miscellaneous industrial stocks with columns for High, Low, Stock, Div, and Yield.

INDUSTRIALS (Miscellaneous). Table continuing miscellaneous industrial stocks with columns for High, Low, Stock, Div, and Yield.

INDUSTRIALS (Miscellaneous). Table continuing miscellaneous industrial stocks with columns for High, Low, Stock, Div, and Yield.

Conversion factor 0.6462 (0.6467)

Handwritten note: 100/100

